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JPRS Report

East Europe

JPRS-EER-87-117

29 JULY 1987

EAST EUROPE

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BULGARIA

POLITICAL

ZHIVKOV ATTENDS SOCIAL SCIENCES MEETING

AU101359 Sofia Domestic Service in Bulgarian 1730 GMT 10 Jul 87

[Excerpts] Today the students and staff of the Academy for Social Sciences and Social Management of the BCP Central Committee welcomed exceptionally warmly and cordially Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council. Comrade Yordan Yotov also took part in the festive meeting to mark the end of the 1986-87 academic year. In his speech Stanislav Bonev, rector of the academy, made an assessment of the past academic year.

Comrade Todor Zhivkov handed out diplomas to the students graduating with honors and wished the new graduates of the Academy of Social Sciences and Social Management success in their responsible sociopolitical activity. He also spoke about certain topical tasks in our country's socioeconomic development, stressing that the fulfillment of these tasks is inseparably linked with the training of highly qualified cadres. The speech of the first party and state leader was listened to with great attention and applauded at length.

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BULGARIA

POLITICAL

KHRISTOV SPEAKS AT UN TRADE CONFERENCE

AU111853 Sofia BTA in English 1734 GMT 11 Jul 87

[Text] Geneva, 11 Jul (BTA)--Khristo Khristov, minister of trade of Bulgaria, spoke at the seventh session of the United Nations Conference on Trade and Development (UNCTAD).

As a result of the techno-scientific revolution the mutual economic commitment nowadays becomes ever increasing, he pointed out. That requires the establishment of relations of real partnership and mutual support between countries, which is impossible in the conditions of confrontation and arms race. On the other hand, for the creating of additional funds for assistance to the developing states considerable and balanced reduction of expenses for armaments should be made.

The Bulgarian minister expressed the positions of this country on other important international issues as well, like the problem of foreign debts, dropping of the resource prices, protectionism, and the artificial barriers for trade which have an effect mostly on the economic stability of the developing states. Minister Khristo Khristov briefed the participants in the session on the socio-economic changes in Bulgaria, aiming at the acceleration of techno-scientific progress, increasing the efficiency of production, self-management of work teams and, finally, the achievement of a qualitative innovation in the economy and in the social sphere.

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BULGARIA

POLITICAL

YOTOV, STUYANOV AT YOUTH CRIME MEETING

AU291036 Sofia Domestic Service in Bulgarian 0900 GMT 29 Jun 87

[Text] A nationwide meeting organized by the Ministry of Internal Affairs and held in Sofia is dealing with the antisocial behavior of minors and young people who have not reached full legal age in Bulgaria. The meeting is also organized by the Ministry of National Education, the Komsomol Central Committee, and the Fatherland Front National Council.

Ivan Dimitrov, deputy minister of internal affairs and director of the people's militia, read a basic report on problems and trends in connection with increasing the efficiency of the struggle against such antisocial behavior. The report stressed the recently increasing antisocial acts committed by minors and young people who have not yet reached legal age, mainly in large cities. The activities accomplished by the people's militia organs to date were analyzed and reviewed. Premises were mapped out for future specific work to be accomplished in joint pedagogical centers, as well as the responsibilities of all other public organizations dealing with youth education.

Comrades Yordan Yotov and Dimitur Stoyanov, as well as Andrey Bundzhulov, first secretary of the Komsomol Central Committee, attended the meeting, which was opened and chaired by Comrade Ilcho Dimitrov, minister of national education.

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NATIONAL ASSEMBLY ADOPTS NEW LAWS

AU121625 [Editorial Report] Sofia RABOTNICHESKO DELO in Bulgarian on 8 July 1987 on pages 1 and 2 carries a 5,500-word report by reporters Mitko Bozhkov, Khristo Kamenov, and Plamen Enchev on the first day of the fifth session of the Ninth National Assembly. After reporting on the opening ceremony and the approval of the agenda, covered by the first referent item (AU071213), the newspaper describes the presentation of three draft laws. The Draft Law on the Country's Territorial Waters, Vasil Tsanov, minister of transportation, said in his statement "harmoniously combines the interests of the country in everything connected with guarding the national border, sailing security, and protecting the sea environment, with the country's economic interests, related to utilizing the wealth of the sea waters and bottom." The Draft Law on Changes and Addenda to the Civil Procedure Code, as presented by Svetla Daskalova, minister of justice, "aims to introduce changes related to restructuring our economy, and defending the legal rights and interests of the citizens." The draft law extends the term needed for reviewing requests and complaints of the citizens, introduces joint ownership of property of the part of married couples, creates a "register of judicial personalities," which "offers broad opportunities for establishing associations by the self-governing organizations," and finally establishes "changes and addenda aimed at creating additional guarantees for protecting the subjective rights of the citizens."

The Draft Law on Changes and Addenda to the Law of the State Archive Fund is related to the "necessity to improve the work related to increasing the preserving the national documentary wealth through perfecting the organization of the archives and elevating the level of the research activity of the country's archives." The draft law "obliges the leaders of departments and organizations to create permanent experts' commissions, which are to decide on the value of the documents which are to be preserved." It further "creates a reliable guarantee against attempts to illegally own documents which belong to the State Archive Fund." Finally, it specifies penalties for "repeated violations" in preserving valuable documents.

Sofia RABOTNICHESKO DELO in Bulgarian on 9 July on pages 1 and 2 carries a 5,500-word report by reporters Mitko Bozhkov, Khristo Kamenov, and Plamen Enchev on the second day of the fifth session of the Ninth National Assembly, which includes a report on the speech of Foreign Minister Petar Mladenov on

Bulgaria's foreign policy (texted separately), and on the three new laws "unanimously adopted by the fifth session of the Ninth National Assembly."

The first is the "Law on the Territorial Waters of the People's Republic of Bulgaria." It "regulates the legal system governing the country's sea territorial water, upon which the country exercises sovereign rights." The law states that "the territorial waters of the People's Republic of Bulgaria encompass the internal sea territory, the territorial sea (a strip reaching 12 sea miles from the shore), the air space above it and the sea bottom." The law states further that "the People's Republic of Bulgaria exercises sovereign rights, jurisdiction, and control in the adjacent zone, the continental shelf and the exceptional economic zone (200 miles)." In addition the law "determines the established systems of the travelling of foreign vessels," mentioning the control, visit taxes, the penalties for various violations, and so forth, all of which are not specifically listed by the newspaper.

The second law adopted by the National Assembly members is the "Law on Changes and Addenda to the Law on the State Archive Fund," proposed by the Council of Ministers. Without specifying the law's content, the newspaper notes that "the members of the National Assembly unanimously adopted it."

The third law adopted by the session is the "Law on Changes and Addenda to the Civil Procedure Code," proposed by the Ministry of Justice. Kaya Gicheva, who reported on behalf of the Legislative Commission stated that "after an additional discussion the commission has approved the proposal to specify one of the draft law's paragraphs, pointing out the relevant considerations supporting the proposal." Svetla Daskalova, minister of justice, has approved the opinion of the Legislative Commission. "After the second reading the National Assembly members unanimously adopted the law."

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DEFENSE SUPPORT ORGANIZATION MARKS ANNIVERSARY

ADU71011 Sofia NARODNA ARMIYA in Bulgarian 24 Jun 81

[Captain Krasen Buchkov report on meeting held in Sofia on 23 June to mark the 40th anniversary of the Defense Support Organization]

[Excerpts] The establishment of the Defense Support Organization in the first years following the victory of socialist revolution is an achievement of the BCP which effectively applied the Leninist theory about the defense of the socialist motherland.

In its activities to safeguard the country's security, the party does not limit itself to the training of the army. The party is well aware of the fact that this problem is linked to the training of the entire people.

The Defense Support Organization today is entering a stage of maturity in the awareness of the great tasks and responsibilities entrusted to its cadres and activists, stemming from the decisions of the 13th BCP Congress.

A festive meeting devoted to the 40th anniversary of the Defense Support Organization was held at the Georgi Kirkov hall of the party house in Sofia last night. It was organized by the Defense Support Organization Central Council, the Komsomol Central Committee, and the Ministry of Defense, the Ministry of National Education, the staff of the Civil Defense of the People's Republic of Bulgaria, and the Bulgarian Red Cross Central Committee.

Attending as members of the honorary presidium were Army General Dobri Dzhurov, member of the BCP Central Committee Politburo and minister of national defense; Georgi Tordanov, candidate member of the BCP Central Committee Politburo and deputy chairman of the Council of Ministers, as well as chairman of the Council for Intellectual Development; Colonel General Velko Palin, head of the BCP Central Committee Social and National Security Department; as well as Iicho Dimitrov, minister of national education.

Colonel General Aleksandr Zwartnev, representative of the commander in chief of the Warsaw Pact Joint Armed Forces to the Bulgarian People's Army, was also among those present at the festive meeting.

Delegations from fraternal defense organizations also attended.

The meeting was opened and chaired by Boucho Polendakov, deputy chairman of the Defense Support Organization.

Georgi Yordanov, candidate member of the BCP Central Committee, deputy chairman of the Council of Ministers, and chairman of the Council for Intellectual Development, read the following greeting letter from Comrade Todor Zhivkov:

"Esteemed comrades, I most sincerely congratulate you on the 40th anniversary of the establishment of the Defense Support Organization in the People's Republic of Bulgaria.

"Established on the instructions of Georgi Dimitrov, the Bulgarian people's leader and teacher, your organization has been making its valuable contribution to the consolidation of the country's defense capacity.

"The period following the 1956 BCP Central Committee was particularly fruitful for its activities. With the support of the party, state, and social organs and organizations, in close cooperation with the Dimitrov Komsomol, the Ministry of National Defense, the Ministry of National Education, and the Bulgarian Red Cross, the Defense Support Organization was very active in the military-patriotic education and military-technical education of the population, the training and recruiting of specialists for the armed forces and developing those types of sports that involve military and technical skills.

"Thousands of young boys and girls are trained annually in the ranks of your organization. They are being educated in a spirit of loyalty to the party and people, they master military knowledge and skills, become physically fit, and are prepared for their tasks as worthy builders and protectors of our socialist motherland. The fraternal relations between the Defense Support Organization and the defense support organizations of the Soviet Union and other Warsaw Pact member states, and affiliated organizations from other socialist countries, contribute to the international education of youth and, the consolidation of friendship and cooperation between our two countries and peoples.

"I am convinced that the great experience accumulated during the last 40 years will serve as a positive basis for achieving a qualitatively new growth in the work of councils, commissions, clubs, and schools of the organization, increasing its contribution to mastering the achievements of contemporary scientific-technical revolution, as well as to the training of working people and young people for the country's defense.

"Dear comrades, I wish you with all my heart, vigorous health, as well as happiness and new successes in your highly patriotic activities devoted to the upsurge and prosperity of our beloved fatherland--the People's Republic of Bulgaria!"

The letter was attentively listened to and accompanied by prolonged applause.

Lieutenant Georgi Kostov, chairman of the Central Council of the Defense Support Organization, delivered a speech on the occasion of the 40th anniversary of the organization.

Admiral Georgiy Yegorov, hero of the Soviet Union, and chairman of the USSR Voluntary Organization for the Promotion of the Army, Aviation, and Navy [DOSAAF] delivered a greetings message on behalf of the fraternal defense organizations.

In his greetings message he stressed that with its many and varied activities devoted to the promotion of the young people's military and patriotic education, mass defense work among the population, and sports activities for the masses, the Defense Support Organization represents a true source of support and plays the role of first assistant to the Bulgarian People's Army.

Colonel General Mircho Asenov, deputy minister of national defense, delivered a greetings address on behalf of the National Defense Ministry.

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VIETNAMESE CP WORKING GROUP VISIT REPORTED

AU061553 Sofia RABOTNICHESKO DELO in BULGARIAS 3 Jul 87 p 6

[RTA Report: "Mutual Willingness to Develop Cooperation"]

[Text] From 22 June to 2 July a working group of the Central Committee of the Communist Party of Vietnam led by Cao Si Kienh [spelling as transliterated], member of the Central Committee and first secretary of the Thai Binh Province, visited Bulgaria.

During its visit the working group visited many industrial and agrarian plants in Pazardzhik Okrug, with which the SRV province maintains fraternal relations.

At meetings and talks with party leaders and economic figures from the country and the okrug, the guests were briefed in detail on the implementation of the decisions of the 13th BCP Congress. Bilateral cooperation in industry and agriculture was discussed. The two sides expressed willingness to further expand and strengthen mutual friendly relations.

The delegation was received by Ognyan Doynov, member of the BCP Central Committee Politburo, and Vasil Tsanov, secretary of the BCP Central Committee. The meetings, which took place in a cordial and friendly atmosphere, were attended by Konstantin Rusinov, candidate member of the BCP Central Committee and first secretary of the BCP Ruse Okrug Committee; Nguyen Tien Thanh, SRV ambassador to Bulgaria; and Georgi Vanev, Bulgarian ambassador to the SRV.

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ARAB LEAGUE SECRETARY GENERAL KLIBI ARRIVES**Welcomed by Mladenov****AU061358 Sofia BTA in English 1316 GMT 6 Jul 87**

[Text] Sofia, 6 Jul (BTA)--Mr Chedli Klibi, secretary general of the Arab League, gave a high assessment to Bulgaria's principled and consistent stand on the problems of the Middle East.

On his arrival here on an official visit of friendship at the invitation of Bulgaria's Foreign Minister Mr Petur Mladenov, Mr Chedli Klibi told journalists that the efforts of the Arab League are directed towards establishing lasting and just peace between the Arab states and Israel on the basis of international law.

The guest was welcomed by Mr Petur Mladenov and by deputy foreign ministers, as well as by ambassadors of countries, members of the Arab League.

Mladenov Gives Official Dinner**AU062007 Sofia Domestic Service in Bulgarian 1930 GMT 6 Jul 87**

[Text] On 6 July Petur Mladenov, minister of foreign affairs, gave an official dinner for Chedli Klibi, general secretary of the Arab League. The dinner was attended by Khristo Khristov, minister of trade; Ilcho Dimitrov, minister of national education; deputy ministers; and responsible associates of the Ministry of Foreign Affairs.

Official Talks Begin**AU061902 Sofia BTA in English 1717 GMT 6 Jul 87**

[Text] Sofia, 6 Jul (BTA)--Mr Petur Mladenov, minister of foreign affairs of Bulgaria, and Mr Chedli Klibi, secretary general of the Arab League, started their official talks today.

The two sides expressed conviction that the relations between Bulgaria and the Arab peoples will continue to develop in the interest of peace, security and cooperation in the world and of the just cause of the Arab peoples.

Dinner Toasts

AU080806 Sofia BTA in English 0730 GMT 7 Jul 87

[Report on the toasts of Petur Mladenov, member of the BCP Central Committee Politburo and Bulgarian minister of foreign affairs, and Chedli Klibi, general secretary of the Arab League, at the 6 July official dinner in Sofia given in Klibi's honor by Petur Mladenov]

[Text] Sofia, 7 Jul (BTA)--Mankind's most important task now is to avert the nuclear threat, Bulgaria's Foreign Minister Mr Petur Mladenov said yesterday. In a toast speech made at a dinner given in honour of Mr Chedli Klibi, secretary general of the Arab League, who is paying an official visit of friendship here, he said that the easing of international tension, the strengthening of trust and the restoration of the process of detente presupposes efficient measures for stopping the arms race, radical disarmament, and the gradual elimination of mass destruction weapons.

The Bulgarian foreign minister stressed that the Soviet peace initiatives are enjoying wide international support and that the states of the socialist community are actually showing the meaning of new political thinking and of the new approach to international relations. The proposal for establishing an all-embracing system of international security opens the way to building a world without mass destruction weapons, a world of equal and mutually advantageous cooperation.

Mr Petur Mladenov expressed concern over the existence of hot beds of tension and regional conflicts posing a real threat to world peace. Particularly dangerous is the Middle East conflict and this is why its settlement is an international task of paramount importance. Bulgaria's chief diplomat assured his guest that Bulgaria will continue to render support to the just struggle of the Arab peoples for an all-embracing solution of this problem and for the establishment of lasting peace.

Bulgaria's foreign minister once again expressed support for the Soviet proposal for convening an international conference on the Middle East with the participation of all interested sides, as well as for the setting up within the framework of the UN Security Council of a committee to prepare the convening of such a conference. Bulgaria insists on the immediate and full withdrawal of Israel from all Arab territories occupied in 1967 and since and on the realization of the legal rights of the Arab people of Palestine, including its right to self-determination and the foundation of its own independent state. "All Middle East states should have reliably guaranteed and recognized borders, otherwise we cannot expect the achievement of a just and lasting peace in the Middle East," Mr Petur Mladenov said.

Bulgaria's foreign minister voiced concern over the Iran-Iraq conflict, stressing that it contradicts the interests not only of the two fighting countries but also of all peoples in the region. The problems can be solved only through political negotiations.

Mr Petur Aladenov expressed support for all initiatives aimed at strengthening trust and understanding among the peoples of the Mediterranean region and its turning into a zone of peace and cooperation. He declared himself for the eradication of the last remains of colonialism in Africa and condemned the pact of the aggressive forces of imperialism and the South African racists, as well as all hostile acts against the African states which have started on the road of progress.

The Bulgarian foreign minister gave a high assessment to the efforts of the nonaligned countries, of the Arab League and of the Organization of African Unity for the preservation of peace and for promoting international cooperation.

In reply, Mr Chedli Klibi commended highly the relations between the Arab states and Bulgaria. He emphasized that the success in these relations is due to Bulgaria's efforts to study the problems and the needs of the Arab world, so that that group of states could be offered the kind of cooperation they need.

The guest said he was fascinated by this country's achievements in different spheres of life, which have become possible thanks to the skillful balancing between various types of activities. He went on to say that Bulgaria is a model to be imitated.

Discussing the present-day international situation, the secretary general of the Arab League stressed the primary importance of the problems related to the strengthening of world peace and security, the need for the prevention of a thermonuclear catastrophe. In this connection, Mr Chedli Klibi stressed the interest with which the Soviet peace initiatives are met. These initiatives, he said, seek to preserve civilization on the planet.

In his toast speech, Mr Chedli Klibi took notice of the dangers spelled for world peace by regional conflicts. These conflicts can play the role of a detonator, and a look at the area of the Middle East and Southwest Asia reveals a number of problems that require joint efforts to be solved.

Emphasizing the special place of the Arab-Israeli conflict in international relations, Mr Chedli Klibi dwelt on the need for an end to the Iran-Iraq war on the basis of the universally acknowledged standards of international law.

The secretary general of the Arab League spoke about the need for a Middle East settlement proceeding from the Fez plan, which envisages for the Palestinian people a right to self-determination and to setting up an independent homeland of its own. The guest deplored the fact that Israel has rejected this plan. Mr Chedli Klibi emphasized that an international conference on the Middle East could be a success, provided it helped elucidate the causes of the crisis in that part of the world, i.e., if it contributed to the settlement of the Palestinian question, if the PLO was represented at it, and if it considered the problems concerning the Israeli-occupied Arab lands, including those in southern Lebanon.

The secretary general of the Arab League thanked Bulgaria and the other socialist countries for their support to the just Arab cause.

Zhivkov Receives Klibi

AU071139 Sofia BTA in English 1106 GMT 7 Jul 87

[Text] Sofia, 7 Jul (BTA)--Today Mr Todor Zhivkov, secretary general of the CC of the CCP and president of the State Council, received Mr Chedli Klibi, secretary general of the Arab League, who is paying an official visit of friendship here.

The talks exchanged opinions on topical international issues. The Bulgarian party and state leader stressed the necessity of rallying and stepping up the efforts of all peoples for preserving peace, for disarmament and for strengthening security. He expressed concern over the continuing tension in the Middle East and stressed that Bulgaria supports the idea for convening an international conference on the problems of the Middle East with the participation of all interested sides including the PLO. This is the only way to a just and lasting solution of the problems of that region.

Mr Todor Zhivkov declared himself for the immediate ceasing of the Iran-Iraq war, which causes great suffering to both peoples and threatens world peace.

Mr Chedli Klibi gave a high assessment to Bulgaria's principled and consistent stand on the Middle East issue and to the role of the socialist countries in averting a nuclear catastrophe, for disarmament, understanding, and cooperation among the peoples.

The talks were attended by Bulgaria's Foreign Minister Mr Petur Mladenov as well as by the ambassadors of Iraq, Kuwait, and Morocco, member countries of the Council of the Arab League.

Talks End 7 July

AU071317 Sofia BTA in English 1207 GMT 7 Jul 87

[Text] Sofia, 7 Jul (BTA)--Mr Petur Mladenov, minister of foreign affairs, and Mr Chedli Klibi, secretary general of the Arab League, completed their official talks today.

They discussed a wide range of international issues. Mr Petur Mladenov familiarized the guest with the socialist countries' initiatives seeking a removal of the thermonuclear war threat, an end to the arms race, strengthening of peace and international security, and a promotion of cooperation. He stressed that the latest proposals advanced by the Soviet Union and the other socialist community countries create feasible conditions for progress at the disarmament talks.

The guest supported the socialist countries' peace initiatives, and he noted that they are an expression of new political thinking.

Mr Petur Bladeneov and Mr Chedli Klibi expressed their conviction that a relaxation of international tensions will take the efforts of all states, of all peaceloving and progressive forces on the planet. They stressed the need for a democratization of international relations, for guaranteeing the right to independent development of all peoples, for the elimination of the last vestiges of colonialism and neocolonialism. An emphasis was also laid on the necessity to fight actively against racism and apartheid.

Special attention was paid to the situation in the Middle East. Mr Chedli Klibi briefed his host in detail on developments in the area. Mr Petur Bladeneov set forth his country's position on the matter and reiterated Bulgaria's unqualified support for the just cause of the Arab peoples.

The Bulgarian foreign minister and the secretary general of the Arab League called for a complete and unconditional Israeli withdrawal from all territories occupied in 1967 and after and for the convocation of an international conference on the Middle East to be attended by all parties concerned, the PLO included. The two officials stressed the importance of strengthening Arab solidarity to counter the aspirations of imperialism in the Middle East. It was emphasized that the 13th session of the Palestine National Council is a step forward in this direction.

Mr Chedli Klibi analyzed the Iran-Iraq war, which is in the interest of neither people and spells dangers to worldwide peace. He said that he had come to Bulgaria, which is a Security Council member, to bring the Arab League resolution concerning the Gulf war. Mr Petur Bladeneov said that the war, which is claiming an immense death toll and causes great damage to property, will have unforeseeable consequences and gives external forces an opportunity to intervene in it for self-seeking motives.

The minister of foreign affairs of Bulgaria emphasized that the disputes between Iran and Iraq should be settled by political means.

The sides exchanged views on the discussion of the Iran-Iraq conflict at the United Nations and at the Security Council.

Mr Chedli Klibi commended highly the support of Bulgaria and of the other socialist countries for the just cause of the Arab peoples, for their struggle against imperialism and Zionism.

Mr Petur Bladeneov and Mr Chedli Klibi expressed their reciprocal satisfaction with the active contacts maintained between Bulgaria and the Arab League and reaffirmed the reciprocal desire for their continued promotion.

The session of talks was attended by the ambassadors of Iraq, Kuwait, and Morocco, member countries of the Arab League.

Klibi Speaks to Press

ABU/1713 Sofia STA in English 1637 GMT 7 Jul 87

[Text] Sofia, 7 Jul (STA)--Mr Chedli Klibi, secretary general of the Arab League, assessed Bulgaria's relations with the Arab states as friendly, as relations of cooperation based on mutual trust and respect.

Before journalists Mr Chedli Klibi said that his visit here convinced him in Bulgaria's adherence to the ideas for establishing of durable and just peace in the Middle East, for peaceful settlement of the disputed issues between Iran and Iraq.

Before leaving the country, the secretary general of the Arab League, who was on an official friendly visit to this country at the invitation of Foreign Minister Petur Mladenov, spoke for convening of an international conference on the Middle East crisis. This idea pushes its way thanks to the active efforts of the Arab states and the socialist community countries. The guest expressed regret over the fact that Israel opposes such a conference, the resolutions of which should be based on International Law and which should be attended by all sides concerned, the PLO included, because the Palestinian question is a central one in the Middle East crisis.

A conference on the problems of the Middle East, said Mr Chedli Klibi, can become an effective means for establishing durable peace in the region in the interest of all states and peoples, in the interest of world peace.

MAP Reports on Talks

EDD/1738 Beirut MAP in English 1219 GMT 8 Jul 87

[Text] Sofia, 8 Jul (MAP)--Arab League Secretary General Chedli Klibi Tuesday held talks in Sofia with Bulgarian President Todor Zhivkov on the Iran-Iraq war and efforts, mainly by the United Nations, to put an end to the 7-year-old conflict.

Klibi is heading an Arab League committee in charge of finding a settlement to the Gulf war, and is currently touring UN security member countries including Bulgaria.

According to Arab sources, Klibi informed Zhivkov of efforts made by the League's "seven-member" committee and its initiatives to establish peace in the region with international help. He highlighted in this respect the League's resolution of last April and the threat Iranian intransigence represents to peace in the Gulf.

Talks also dealt with efforts to rapproch [as received] the positions of the various parties and of UN and nonaligned member countries with a view to reaching a settlement on the basis of the UN charter.

Klibi, who had arrived in Sofia on Monday, had conferred, later the same day with Foreign Minister Petur Mladenov.

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CSO: 2200/115

CHINESE SCIENTIST VISIT ENDS

AU051800 Sofia BTA in English 1549 GMT 5 Jul 87

[Bulgaria-China: "Promoting Scientific Cooperation"--STA headline]

[Text] Sofia, 5 Jun (BTA)--The outstanding Chinese scientist Acad Cao Tianqin, president of the Shanghai Department of the Chinese Academy of Sciences and member of the Executive Board of the International Council of Scientific Unions, paid a visit here.

During his stay the guest was received by Mr Georgi Yordanov, deputy chairman of the Council of Ministers and chairman of the Council for Intellectual Development.

Acad Cao Tianqin also met Acad Angel Balevski, president of the Bulgarian Academy of Sciences and with Corr Member of the Bulgarian Academy of Sciences Tseno Khinkovski of the Agricultural Academy. He visited scientific centres and institutes of the two academies and acquainted himself with their research work.

The guest had talks with Acad Blagovest Sendov, chairman of the Committee for Science with the Council of Ministers. They discussed the possibilities for promoting scientific cooperation between the two countries.

The Chinese scientist also met representatives of the "Biotechnological and Chemical Industry" Association.

Today Acad Cao Tianqin departed from Bulgaria.

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CSO: 2200/115

BRIEFS

UN OFFICIAL MEETS GOTSEV--Sofia, 20 Jun (BTA)--Mr Arcot Ramachandran, undersecretary general of the UN and executive director of the United Nations Center for Human Settlements (Habitat) paid a visit to Bulgaria from June 17 to June 20, 1987. Mr Ramachandran had talks with Deputy Foreign Minister Lyuben Gotsev, with Union of Architects President Georgi Stolov and with Mr Stefan Staynov, chairman of the Committee for Territorial and Municipal Systems. [Text] [Sofia BTA in English 1738 GMT 20 Jun 87 AU] /9599

MEXICAN-BULGARIAN INDUSTRIAL FIRM--Mexico City, 23 Jun (BTA)--A joint Bulgarian-Mexican company for the production and marketing of machine tools was opened here today. It is called "Cornetal" and its Bulgarian partner is "Machinexport." "Cornetal" will produce several types of conventional lathes and will sell highly efficient NC [numerically controlled] machines. The company intends to sell its products in other American countries. [Text] [Sofia BTA in English 1738 GMT 23 Jun 87 AU] /9599

COOPERATIVE AGREEMENT WITH EGYPT--Sofia, 23 Jun (BTA)--Direct trade, economic and production ties, joint enterprises, exchange of goods and tourists will enrich the cooperation between the Bulgarian Central Cooperative Union and the Central Union of the Consumer Cooperative Societies of Egypt. This is envisaged by the protocol signed this evening by the leaders of the two unions, Mr Rumen Serbezov and Mr Ahmad 'abd al-Zahar Osman. The cooperation will include exchange of goods produced by the two cooperative organizations, exchange of products exported for third countries. The two organizations will continue to exchange experience, printed editions, files, information in the sphere of cooperative work, will increase the participation in congresses, seminars, exhibitions, fairs, and other cooperative events of mutual interest. Cooperative members from Egypt will train in the International Cooperative School of the Central Cooperative Union at the Higher Institute of Economics in Sofia. [Text] [Sofia BTA in English 1826 GMT 23 Jun 87 AU] /9599

U.S.-BULGARIAN SOCIOLOGY SYMPOSIUM--Smolyan, 22 Jun (from the okrug ZABUTNICHESKO DELO correspondent)--Today the fourth Bulgarian-U.S. symposium on social sciences, "Smolyan 87," opened in Smolyan. The symposium has been organized by the Bulgarian Studies Center of the Bulgarian Academy of Sciences and the Association for Bulgarian Studies in the United States. Over 5 days 21 American and 50 Bulgarian eminent scientific workers--historians, sociologists, language and literature experts, ethnographers, folklorists, and

others--will meet in general sessions and in sections to investigate various problems falling under the symposium's general title: "Bulgaria Past and Present." [Text] [Sofia RABUTNICHESKO DELO in Bulgarian 23 Jun 87 p 3 AU] /9599

NEW FOREIGN TRADE ASSOCIATION--Sofia, 24 Jun (STA)--A foreign trade society "Chimimport" was founded today. It will coordinate the efforts of the enterprises of the "Biotechnological and Foreign Economic Relations" Association in the realization of foreign trade and foreign economic contacts. The society will realize foreign trade contracts with products of the chemical and biotechnological industry, with raw materials for this industry, equipment, machines, spare parts, products, and constituent parts for electronization. It will also engage in the trade with licenses, know-how, the transfer of technologies and other operations related to the servicing of the members of the inter-branch economic complex. It will provide its members with the necessary market, price and currency credit information on the international commodity markets and will take part in fairs and exhibitions. [Text] [Sofia STA in English 1746 GMT 24 Jun 87 AU] /9599

POLITICAL TALKS WITH BELGIUM--Brussels, 27 Jun (STA correspondent)--The Ministry of Foreign Affairs of Bulgaria and the Ministry of External Relations of Belgium held 2-day political consultations here. The sides made a thorough survey of bilateral relations, expressed satisfaction with their state and considered the opportunities for their promotion and expansion in various fields. Special attention was paid to the international situation, and more specifically to East-West relations, to problems of disarmament and to the development of the Helsinki process. The head of the Bulgarian delegation, Mr Lyuben Gotsev, deputy minister of foreign affairs, briefed his hosts on Bulgaria's Balkan policy, on the initiatives seeking to turn the Balkans into a nuclear- and chemical-weapon-free zone. The sides also exchanged views on the situation in the Middle East, in the south of Africa and in Central America. The Belgian diplomats expressed support for the talks on the establishment of formal relations between the European Community and the Council for Mutual Economic Assistance. The conference discussed the recent pourparler held in Brussels on signing an agreement between Bulgaria and the EEC, as well as on the establishment of formal relations between them. [Text] [Sofia STA in English 1632 GMT 27 Jun 87 AU] /9599

CPCZ WORKING GROUP VISIT--A CPCZ Central Committee working group led by (?Hudolf Cerny), deputy director of the Agricultural Department of the CZCP Central Committee, has been on a visit to Bulgaria. In addition to Sofia, the working group visited Plovdiv, Stara Zagora, and Sliven Okrugs. The visitors had talks with party leaders and economic figures, in the course of which they were briefed in detail on the party's work in the field of agricultural policy. A plenum of the working group was received by Vasil Tsanov, secretary of the BCP Central Committee, who informed them about the most topical problems in Bulgarian agriculture. [Text] [Sofia Domestic Service in Bulgarian 1900 GMT 27 Jun 87 AU] /9599

LEADERS MEET FOREIGN JOURNALISTS--The participants in the journalists' trip organized by the SOFIA PRESS news agency under the slogan "Bulgaria in 1 Week," were received by Emil Christov, secretary of the BCP Central Committee. They held meetings with Petur Dyulgerov, candidate member of the BCP Central Committee and chairman of the Central Council of Bulgarian Trade Unions, and with Aleksandar Strezov, deputy minister of foreign affairs. The foreign journalists were briefed on problems which our country is coping with at the present stage of development, as well as about certain aspects of Bulgaria's foreign policy. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 30 Jun 87 p 2 AU] /9599

CULTURAL AGREEMENT WITH ARGENTINA--Sofia, 1 Jul (STA)--The first agreement on cooperation in the field of culture, science, and education for a term of 5 years was signed here today between the governments of Bulgaria and Argentina. The document provides for direct contacts between educational and scientific research institutes of the two countries through the exchange of experience, scientific information, documentation as well as of visits by scientific workers, lecturers, and workers in the field of art and culture. Bulgaria and Argentina will grant scholarships for education and specialization of citizens of the respective country. The conditions for acknowledging the education received in the partner are being studied. The agreement envisages the exchange of works of art--films, exhibitions, musical works, etc. The cooperation between sports organizations of the two countries will be encouraged. [Text] [Sofia STA in English 1134 GMT 1 Jul 87 AU] /9599

MEETING IN STRAZHITSA ON EARTHQUAKE--A joint meeting of the leadership of the Committee for Territorial and Settlement Structure under the Council of Ministers and of the Okrug Operational Staff in Charge of Overcoming the Results of the Earthquake was held in Strazhitsa today. The meeting discussed the implementation of the decision adopted by the BCP Central Committee Secretariat and of an instruction issued by the Council of Ministers on 14 May 1987 for accelerated work in overcoming the results of the earthquake, which occurred in the Strazhitsa area. The tasks, which have to be resolved before the beginning of the winter season, were analyzed so that normal living conditions may be provided for the people in the damaged areas. Specific measures were mapped out for the final completion of building projects and for the acceleration of the construction and restoration works. [Text] [Sofia Domestic Service in Bulgarian 1730 GMT 3 Jul 87] /9599

GREEK CHIEF OF STAFF'S ACTIVITIES--Colonel General Nikolaos Kouris, chief of the General Staff of the Hellenic Republic's National Defense, paid his respect at the Unknown Soldier's monument in Sofia today. He also visited the okrugs of Varna and Veliko Turnovo during his stay where he visited cultural sites and tourist centers. The Greek chief of staff also inspected military exercises. [words indistinct] Ioannis Bourliouannis Tsangaridis, the Greek ambassador to Bulgaria, gave a cocktail on the occasion of the visit of Colonel General Kouris. The reception was attended by officers and generals of the Bulgarian People's Army and by members of military missions accredited in Sofia. Colonel General Kouris departed from our country tonight. [Text] [Sofia Domestic Service in Bulgarian 1930 GMT 3 Jul 87] /9599

YEMEN ARAB REPUBLIC MUFTI--Sofia, 5 Jul (STA)--The Mufti of the Yemen Arab Republic Ahmad Zabara [spelling as received] paid a visit to Bulgaria at the invitation of the Chief Mufti's Office. He met Mr Lyusenir Popov, deputy minister of foreign affairs and chairman of the Committee for Affairs of the Bulgarian Orthodox Church and the religious denominations. The guest was in Varna, Tolbukhin, Balchik, and Suvorovo, where he visited mosques, took part in divine services and met muslim clergymen and members of the Bulgarian Muslim Board. At a meeting with Bulgarian and foreign journalists accredited here Mufti Ahmad Zabara spoke of his impressions of the good state of the mosques and of the religious freedom enjoyed by the Bulgarian professing the Islamic religion. [Text] [Sofia STA in English 1604 GMT 5 Jul 67 AB] /9599

TAXI COOPERATIVE IN VARNA--Sofia, 26 Jun (STA)--The first cooperative taxis in Bulgaria will appear in a few days in the streets of Varna. The first cooperative for taxis has been founded with the County Council of the Union of Bulgarian Motorists. The setting up of such cooperatives became possible after the government recently adopted rules for the citizens' collective and personal labour activity in the production of extra goods and services. In the near future such cooperatives will also be set up in Sofia and in other cities. The members of the Varna cooperative are all professional drivers who have made no infringements of the traffic regulations, who have caused no road accidents over the past few years and whose cars are in perfect order. The cars will bear a special sign and will be installed with taximeters. The drivers will charge the same fares as the state taxis. At first the state taxis will work from 6 am to 12 pm. The drivers will be allowed to work up to 4 hours a day. The cars of the collectives will undergo mandatory check-ups twice a year (the ordinary private cars undergo such check-ups once a year) and every month they will be examined by the union of motorists. The cooperative taxis will enjoy privileges in obtaining fuel, oil, and spare parts. By the end of the year most of the cars will be supplied with radiotelephones. [Text] [Sofia STA in English 1541 GMT 26 Jun 67 AB] /9599

POSTAL AGREEMENT WITH SRBY--Sofia, 2 Jul (STA)--A protocol on economic and techno-scientific cooperation in communications was signed today between Bulgaria and Yugoslavia. It envisages transference of various communication systems, establishing of control systems of the communication networks, as well as development of the mechanization and automation of the technological processes in postal offices. The future joint developments and technical assistance will be discussed by the end of the year. The protocol includes also proposals for the development of a long-term programme for economic and techno-scientific cooperation in communications between the two countries till the year 2000, for improvement of the bilateral agreement in this sphere which is in effect at present, and for research into the opportunities for exchange of postal equipment. [Text] [Sofia STA in English 1019 GMT 2 Jul 67 AB] /9599

LIKANOV REELECTED TOURISM TU CHAIRMAN--Vratsa, 4 Jul (STA)--The Seventh Congress of the Bulgarian Tourism Union, which ended here today, stressed the necessity for a rapid reorganization of the tourist movement, spelled by man's growing needs for exercise and recreation in the conditions of accelerated

urbanization and of some negative consequences of the scientific and technological revolution. It is necessary to create preconditions for the further popularization of tourism and its turning into an integral part of the way of life. The congress adopted guidelines for the reconstruction of the Bulgarian Tourism Union as well as some changes in its regulations. Mr Andrey Lukanov, candidate member of the Politburo of the CC of the BCP and first deputy chairman of the Council of Ministers, was reelected chairman of the union. [Text] [Sofia BTA in English 1754 GMT 4 Jul 87 AU] /9599

VATICAN DELEGATION DEPARTS--Sofia, 6 Jul (BTA)--The representatives of the Vatican, Archbishop Francesco Colasuono, apostolic nuncio for special missions, and Priest John Bukowski, counsellor, left this country. During their visit they were received by Mr Georgi Yordanov, deputy chairman of the Council of Ministers and chairman of the Council for Intellectual Development, by Mr Lyubomir Popov, deputy minister of foreign affairs and chairman of the Committee for Affairs of the Bulgarian Orthodox Church and the Religious Denomination and by the Bulgarian Patriarch Maksim. The guests visited Roman Catholic churches in Sofia and in towns and villages of the Pleven, Ruse, and Plovdiv Counties. They took part in divine services and met Catholic clergymen and believers. [Text] [Sofia BTA in English 1712 GMT 6 Jul 87] /9599

YOUTH COOPERATION WITH PDRY--Sofia, 8 Jul (BTA)--Today Mr Andrey Bundzhulov, first secretary of the Dimitrov Young Communist League, and Mr Salih, first secretary of the "Fatah" Yemeni Socialist Youth League, signed a long-term treaty of friendship and cooperation between the two organisations. The leagues will cooperate actively in strengthening anti-imperialist solidarity, for the sake of peace and social progress. [Text] [Sofia BTA in English 1339 GMT 8 Jul 87 AU] /9599

INTERNATIONAL CONFERENCE ON MECHANICS--Sofia, 8 Jul (BTA)--Today the international conference "Euromech 1987" ended in the city of Kurdzhali, southern Bulgaria. It was organised by the International Union of Theoretical and Applied Mechanics (IUTAM). Scientists and experts from the Soviet Union, Japan, the United States, the FRG, India, Norway, Italy, and Bulgaria delivered a total of more than 25 papers and communications. They discussed the most promising areas of mechanics and their practical applications. Special attention was paid to the use of numerical methods and informational technology to model the processes of evaporation and condensation, and new fundamental research results were reported in this field. The individual sections considered important developments applicable in metallurgy, in the chemical industry, and in space research. The participants discussed the prospects for further cooperation. [Text] [Sofia BTA in English 1827 GMT 8 Jul 87 AU] /9599

GENSCHER TO VISIT 'IN MID-JULY'--Sofia, 10 Jul (BTA)--At the invitation of Mr Petur Mladenov, minister of foreign affairs of Bulgaria, Mr Hans-Dietrich Genscher, federal vice chancellor and minister of foreign affairs of the Federal Republic of Germany, will pay an official visit to Bulgaria in mid-July this year. [Text] [Sofia BTA in English 1744 GMT 10 Jul 87] /9599

ZAMBIAN MINISTER OF TOURISM--Sofia, 13 Jul (BTA)--A Zambian delegation led by Mr Leonard Simukwela Subulu, minister of tourism, paid a visit to this country at the invitation of the Bulgarian Association for Tourism and Recreation. He was accompanied by Mr Harry Nixon Chabuela, [spelling as received] director of national parks and reserves. The delegation had talks with Mr Luchezar Avramov, chairman of the Bulgarian Association for Tourism and Recreation. The guests showed interest in Bulgaria's experience in tourism. The talks expressed mutual readiness for the further broadening of cooperation in this field. [Text] [Sofia BTA in English 1049 GMT 13 Jul 87] /9599

UNIDO EXECUTIVE DIRECTOR--Sofia, 13 Jul (BTA)--Mr Domingo Siason, executive director of the United Nations Industrial Development Organization, arrived on an official visit to Bulgaria today at the invitation of Bulgaria's Foreign Minister Mr Petur Mladenov. [Text] [Sofia BTA in English 1523 GMT 13 Jul 87] /9599

KARAMANOV RECEIVED BY ALGERIAN PREMIER--Algiers, 5 Jul (BTA)--A Bulgarian party and government delegation, led by Mr Georgi Karamanov, deputy chairman of the Council of Ministers and chairman of the Social Council, paying a visit here on the occasion of the 25th anniversary of the independence of Algeria, was received by Prime Minister Mr Abdelhamid Brahimi. The talks discussed the state and the prospects of the development of the relations between the two countries in the spirit of the agreements reached between Mr Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, and Mr Bendjedid Chadli, secretary general of the Front de Liberation Nationale and president of the Democratic and Popular Republic of Algeria, at the meeting in April this year in Algeria. The two sides expressed satisfaction with the development of cooperation between the two countries and stressed the mutual interest to constantly promote cooperation in all fields of life. [Text] [Sofia BTA in English 1516 GMT 5 Jul 87 AU] /9599

CSO: 2200/115

JAKES ADDRESSES LIDICE PEACE RALLY

AU301228 Bratislava PRAVDA in Slovak 15 Jun 87 pp 1, 2

[From a speech by Milos Jakes, member of the Presidium and secretary of the CPCZ Central Committee, at a peace rally marking the 45th anniversary of the destruction of the Village of Lidice; in Lidice on 13 June]

[Excerpts] Not with weapons, but by peaceful coexistence and with competition do we want to affirm the superiority of socialism over capitalism. The economy has the key place in this. We are striving for a qualitatively higher level of the development of socialism, to further raise the people's standard of living, for a new quality of life in socialist society. The expression of these objectives is the strategy of the acceleration of socioeconomic development, which the 17th CPCZ Congress--inspired by the 27th CPSU Congress--has worked out.

The fundamental prerequisite for realizing this strategic line is the intensification of the economy on the basis of effective implementation of the findings of scientific-technical progress, and the creative activity and initiative of the people.

Already now it is necessary to create conditions for restructuring and realizing the strategy of acceleration. This means, in the first place, consistently fulfilling the tasks of the 1987 and the entire 8th 5-Year Plan; achieving the social objective depends on this, too. Thus far, as you know, we are lagging behind the pace of the development determined by the 17th Party Congress. This trend must be speedily overcome and shortfalls must be made up for. We have all the prerequisites for this. The difficulties with the fulfillment of the plan to date do not arise from the tasks' being too exacting, but--above all--from subjective shortcomings.

The important component of the endeavor toward restructuring is the general strengthening of discipline and order, the struggle against bureaucratism, conservatism, and inertia, against all negative phenomena which weaken the results of the common work and the assertion of social justice.

Precisely here, in Lidice, we must recall that the reactionary essence of imperialism still shows in its dangerous tendency toward increasing aggressiveness which--in a nuclear epoch--could lead to the extinction of human civilization.

In the Near and Middle East, in southern Africa, in Central America, and elsewhere in the world, the most reactionary forces of imperialism, headed by the U.S. military-industrial complex, are fanning numerous hotbeds of tension. Imperialism does not hesitate to employ any means, including military means, against nations striving for social progress and national liberation. Fascism still has not disappeared from the face of the earth. We are, in particular, made uneasy by revanchism which has been poisoning the atmosphere in Europe for decades now. This is also seen in the course of the recent rally of the Sudeten German Landsmannschaft in Nuremberg, attended by FRG Government representatives, at which the alleged openness of the German question again came to the fore and claims were laid to the Czechoslovak border areas. This does not benefit the two countries' good-neighborly relations. In this connection it is necessary to recall the position of the Warsaw pact member states expressed in the communique of the recent session of the Warsaw Pact Political Consultative Committee in Berlin, which states that "lasting peace and good-neighborly cooperation in Europe can only be ensured under conditions of respecting the existing territorial and political realities on the continent, the activity of the revanchist forces, particularly in the FRG, and the encouragement of revanchism, no matter where, are at variance with the interests of detente and security, and with the letter and spirit of the Helsinki Final Act."

The socialist countries unequivocally express their solidarity with the struggle of nations for freedom, against external and domestic counterrevolution, and they will not permit imperialism to turn back the wheel of history. Socialism is the hope of mankind today. It has become the enduring force in international relations. The Soviet program to build a world without nuclear weapons and eliminate all weapons of mass destruction by the end of this century, the proposals to create a general system of international security, all these initiatives are today meeting with broad support from peace-loving forces in the whole world, and force the representatives of the United States and other capitalist states to sit down at the negotiating table. The dynamism of international developments is increasingly being determined by the offensive peaceful foreign policy of the countries of the socialist community, in which Czechoslovakia also participates.

A new impetus in this respect was the Berlin session of the Political Consultative Committee of the Warsaw Pact member states and the adoption of the document on the Warsaw Pact's military doctrine, affirming the unequivocal peaceful, defensive nature of our alliance. However, we must note that, although the recent summit of the representatives of the seven leading capitalist states in Venice received the appeals for understanding in relations among nations, it has not given a constructive answer to the peace proposals of the Soviet Union and the Warsaw pact states.

From the memorable soil of our modern history, from a place which warns against immense license and brute force, we want to express our people's yearning for peace, friendship, and cooperation. We believe that the new thinking which the nuclear and space era demand will assert itself in relations among states and nations.

DAILY REPORTS VACLAVIK PRESS CONFERENCE

AU261535 Bratislava PRAVDA in Slovak 25 Jun 87 p 2

[CTK report: "Journalists' Wednesday With Representatives of the Czechoslovak People's Army; Ensuring a Peaceful Future"]

[Text] Prague (CTK)--Representatives of Czechoslovak mass information and propaganda media yesterday [24 June] met in Prague for their regular "Journalists' Wednesday" with Army General Milan Vaclavik, CSSR minister of national defense, and Jaroslav Kliche, chief of the Main Political Administration of the Czechoslovak People's Army (CSLA).

Milan Vaclavik began by saying: "Viewed from the outside, the international situation could create the impression that the danger of a crisis developing has been removed. However, such a conclusion can be drawn only from a superficial evaluation of current developments in the world." The development of a political dialogue between the Warsaw Pact countries and the NATO states, and particularly between the USSR and the United States, is the result of the consistent and energetic peace policy pursued by the socialist states--especially the Soviet Union, which has been firmly holding the strategic initiative in its hands since the 27th CPSU Congress, he stressed. At the same time the minister pointed out the fundamental significance of results reached by the Warsaw Pact states' Political Consultative Committee at its Berlin session.

Political negotiations are not progressing toward the desirable goal. This state of affairs, he stated, is caused by the fact that--despite some positive shifts in the way certain Western politicians are thinking--the West still has politicians who do not want to give up the idea of dictating their policy to other nations.

During the talk Milan Vaclavik briefed the journalists in detail on the intensive work to build up the nuclear and conventional potential of the troops of NATO member countries, in addition to the efforts being made to improve the military infrastructure in the West. In this context he unambiguously condemned the false myths about the Warsaw Pact's supremacy in conventional armament.

"It is not enough to merely proclaim peace, to demand it or beg for it," the minister of national defense declared. "Our historical experience confirms that one cannot combat wars by moral means alone; neither can one combat them by unilateral disarmament on our part or on the part of the Soviet Union. In the final consequence, to succumb to such pacifist illusions means to weaken the defense ability of our state, to expose the people to serious danger, and to delay our reaching the strategic goal--namely, to ensure a peaceful life for mankind throughout the world." Milan Vaclavik also warned against underestimating the current military-political situation in the world and against underrating the existing military possibilities of imperialism.

In view of Czechoslovakia's geographical position, the CSLA is part of the first strategic echelon [aled] of the Joint Armed Forces of the Warsaw Pact member states, and must be prepared to be the first to ward off any possible attacks by an aggressor, Minister Vaclavik then said. In accomplishing the demands following the 17th CPCZ Congress resolution, the primary thing is to continue enhancing the CSLA's combat and mobilization preparedness. It is necessary to continue improving management and organizational work and to substantially tighten military discipline; it is necessary to raise the standards of cadre work and the comprehensive training and education of the commanders' corps, and to enhance our ideological-political influence on members of the CSLA. It is still essential to consolidate the CPCZ's leading role in the army. Milan Vaclavik also called it important to deepen the unity of the army and the people, as well as our international ties with the armies of the USSR and of other Warsaw Pact member countries. In replying to the journalists' questions, the CSLA representatives also pointed out certain shortcomings. It is a serious task to struggle against the elements of pacifism, which are appearing among some of our young people. They also recalled the CSLA's efforts to consolidate comradesly relations in our military collectives and to remove problems with the military discipline, and stressed that it is essential to intensify the fight against alcoholism. In this context Jaroslav Klichka underscored that it is currently necessary to fill the free time of soldiers on basic national service with high-quality hobbies.

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CSO: 2400/356

BENO CHAIRS SESSION ON POLITICAL-ORGANIZATIONAL WORK**AU010828 Bratislava PRAVDA in Slovak 23 Jun 87 p 1**

[CTK report: "National Conference of Secretaries for Political-Organizational Work; Emphasis on Increased Activity"]

[Text] Prague (CTK)--A national conference of secretaries for political-organizational work in the party's Regional Committees and Prague and Bratislava City Committees was held in Prague yesterday [22 June]. It was chaired by Mikulas Beno, CPCZ Central Committee secretary, who delivered the opening statement.

The conference dealt with the conclusions adopted by the CPCZ Central Committee Presidium on the evaluation of annual members' meetings in primary party organizations, and with the experience gathered from the meetings of Central Committee secretaries for political-organizational work in the communist and workers parties in socialist countries at their international conference, held in Bucharest in May 1987.

The present conference emphasized our orientation toward increased efficiency in the party's political-organizational work in ensuring the line of the 17th CPCZ Congress, the strategy of accelerating the socioeconomic development, the restructuring of the economic mechanism, and other spheres.

In this connection the conference discussed our strengthening the role of primary party organizations--the political core of working collectives in deepening lively contacts with the working people and involving them in the struggle for the consistent accomplishment of this year's tasks so as to speedily introduce scientific-technical advancement into our national economy and intensify it. The conference underscored the role of an informal development of work discipline, and of the social competition in honor of the 70th anniversary of Great October and of the 40th anniversary of Victorious February. The conference stressed the demand to enhance the Communists' activity and combat spirit in all sectors, to enable them to serve as a better example, and to develop the principles of socialist democracy, a free flow of information, and an open policy.

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CSO: 2400/356

KREIS LEADERSHIP MEETING, ACCOMPLISHMENTS ASSESSED

East Berlin EINHEIT in German Vol 42 No 3, Mar 87 (signed to press 11 Feb 87)
pp 195-200

[Article by Guenter Kaiser, first secretary of the SED Berlin-Mitte kreis leadership: "With a Clear Goal and Firm Stride"]

[Text] It is correct to say that since the 8th SED Party Congress, the regular meetings between the SED Central Committee secretariat and the first secretaries of the kreis leadership have become a good party tradition. The meeting of 6 February of this year was already the eleventh of this kind of direct guidance Central Committee Secretary General Erich Honecker has provided. However, not only the number of such a party conference is important, but also its level, which is much more than a simple consultation.

The guidance provided in Comrade Honecker's report is the result of a careful analysis of both our accomplishments and future tasks, the sum total of a conscientious examination of what we have to do to preserve peace and to continue shaping the developed socialist society in line with the concrete realities and specific requirements of our country. It also shows how we have to do it in light of these realities in order to effectively enhance our political stability and economic dynamism and, by doing so, vigorously continue our efforts to pursue a course designed to benefit our people.

With this detailed presentation of our party strategies and tactics for implementing the resolutions of the 11th Party Congress, we now have a concrete action program for what we can do to strengthen socialism further and what contributions we can make to our struggle for peace. It will be of particular help to us in that it provides guidance on the preparation and staging of our party elections.

Our tasks, ways and goals are clearly outlined on the basis of our party program and our experiences with putting this political course, which the 8th Party Congress has initiated and then consistently pursued, into action were carefully evaluated and generalized. They confirm that "by continuing to shape the developed socialist society for the benefit of our people, we are contributing to the strengthening of socialism's total potential in the world, on which the preservation of peace is crucially dependent." (Footnote 1) ("The Tasks of the Party Organizations to Implement the Resolutions of the 11th SED Party Congress," from Comrade Erich Honecker's Statement during the Consultations of the SED Central Committee Secretariat with the First Secretaries of the Kreis Leaderships. NEUES DEUTSCHLAND, 7/8 Feb 87, p 3) Towards that end, our republic applies all its strength to wage its fierce battle to resolve the most important issue of our time, namely, to prevent the destruction of mankind in a nuclear inferno and to ensure a future

of lasting peace. With this in mind, the workers have coined a fitting and, at the same time, mobilizing slogan that reflects their thinking and actions: My place of work is my battleground for peace.

Comrade Erich Honecker's statement expresses the fact that we have dealt with problems in a timely fashion as they developed, that we have drawn the necessary conclusions and that we are marching forward in a firm, confident stride on a path that reflects the concrete realities and requirements of our country, in terms of both contents and methods, as workers and leaders. The benefits for our entire society and for each of us are impressive. Every day, we in the kreis leadership see how the economic accomplishments of 1986, the year of the party congress, and the results of the SED's social policies, which are published in the press, radio and television, meet with broad approval and how they stimulate workers to higher performance, because these are, after all, their very own experiences with which they are familiar and which they have lived through.

The meeting with the first kreis secretaries has given high marks to these outstanding accomplishments, but indicated that whatever was accomplished is not yet all that can be accomplished. This is the reason for linking the comparison of the concrete achievements of all districts, based on economic indicators, to reporting the top accomplishments in the work of our party and workers. It reflected primarily political-ideological efforts to increase performance and efficiency, to develop and apply key technologies and other qualitative indicators and to show the results. To us as kreis leadership and all basic organizations, this is an incorruptible measurement and, at the same time, a concrete work program for meeting the demands formulated by Comrade Honecker at the SED's 1986 conference of bezirk delegates in Berlin that we work hard in order to produce top results in all areas for our capital.

In our Berlin-Mitte kreis as well, the year of the 11th SED Party Congress was the most successful year so far in all sectors of social life. In this, the most important cornerstones are our combines and their main enterprises, which, according to the economic strategy of our party, are the focal point of the political work performed by the kreis leadership. By cooperating with other enterprises, some have reached above-average growth rates in, e.g., higher labor productivity, in the development of net production and net profits, in the production of industrial goods, in reducing the total costs of the enterprise, in the roof repair program and in secondary rawmaterial processing. These figures represent important economic endproducts, contract supplies and consumer goods, such as copiers, elevators for new buildings and escalators, image recognition systems, CAD/CAM [computer-aided design/computer-aided manufacturing] work stations, supplies for television tubes, motors for the new compact kitchen machine "Berlinett," a large variety of cosmetic articles and many other things.

In no previous year has there been so much construction of new, and modernization of existing, residential buildings as last year. The entire town area is literally a huge construction site. With the help of construction companies from other districts, old buildings are being modernized, and gaps and empty spaces are being filled with architecturally attractive structures. For instance, historical buildings in the Nikolei area are preserved as well as those in Wilhelm-Pieck-Street and Sophien-Street. Friedrich-Street shows the first features of its new face.

The accomplishments of this economically most successful year so far fill us with pride--also because of the international prestige of the GDR--and we naturally use them in the party, labor union and work collectives to explain the new and larger demands for 1987 and to motivate and mobilize our workers for them. The combines and enterprises, the government organizations and social and cultural institutions confirm the statement in Comrade Honecker's report that everywhere there is an atmosphere of combat for the all-around implementation of the resolutions adopted by the 11th SED Party Congress through which we continue the dynamic development of all sectors of our social life. As kreis leaders we have special responsibility for utilizing and operating our key technologies in an effective way in order to maintain stable economic growth. At the end of 1986, our kreis had 594 CAD/CAM work stations. That means we now have computer-aided work stations for construction, technological production preparation and control in nearly all combines and enterprises. In 1987, their number will rise considerably and we will pay particular attention to operating these work stations at full capacity for 14 hours a day. The VEB Microelectronics-Segura plans to reduce its work time by 20,000 hours and, by doing so, free 22 workers for other jobs. In the VEB Studiotechnik, utilization of office computers will make it possible to cut production preparation work by 30 percent.

Equally important work is being done in the area of biotechnical research and its practical application. Biogas, a by-product of sludge drainage at the Berlin VEB Water Supply and Water Treatment, currently meets all heat requirements of most sewage treatment plants. In addition, the sewage treatment plant at Wassmannsdorf transforms part of its biogas production into electric power. Expectations are that it will be possible by 1990 to produce 30,000 kW electric power a day.

As kreis leaders, we are working on such projects with the respective organizations under the supervision of the party. In cooperation with the FDJ kreis leaders, we have succeeded in getting youth research collectives in more and more enterprises to handle research relating to the development and introduction of key technologies.

In 1987, some 70 such collectives in our kreis are going to participate in work on important issues that equal international top-level accomplishments.

Socialist competition led by the labor union has been, and continues to be, an important prerequisite for first-class accomplishments. This competition is an active form of direct democratic participation of workers in the management of combines and enterprises and the further development of their capabilities. Some 90 percent of the workforce has participated in project discussions during labor union meetings in efforts to draft the 1987 national economic plan.

More than 34,700 commitments to compete in improving their performance and more than 20,000 suggestions on how to improve work and living conditions were submitted here and during the labor union elections. This great sense of duty is presently also in evidence at the spokesmen's plenary meetings to finalize the 1987 enterprise collectives agreements.

This and much more of what could be mentioned here is of great economic importance. It also shows that the workers collectives identify with the main thrust of social development agreed on by the 11th Party Congress. It was also the reason for the extraordinary efforts undertaken in January and February of this year when, for instance, the electric power combine, the Berlin Transportation Services combine, the City Economic Affairs combine, the health and social institutions,

the local construction firms, the repair brigades of the Municipal Housing Administration, the production cooperatives and also private artisans worked to overcome the effects of the severe winter. Now we are concentrating even more on maintaining a high continuity in our production by applying the most stringent economy measures in the use of electric power and fuel. By creating the necessary environment, we make sure that on each workday we reach a high level of performance.

The kreis leadership secretariat provides direct support to the party organizations in economically vital enterprises and their political efforts to meet production targets, especially for state plan items, exports and productivity indices. Selected scientific-technical projects and the timely supply of new products and technologies are under the special control of the party. The objective is to ensure that all parties complete their economic tasks and, by doing so, improve work, living and housing conditions according to plan.

These examples show that implementation of the economic strategy and the political motivation of workers to fulfill the plan and produce top-notch results, has increasingly become the ultimately critical subject of the political-ideological work by the kreis leaderships and the basic organizations. Our bezirk leaders met immediately following the consultations between the Central Committee and the first kreis secretaries. Afterwards, at a meeting and in subsequent detailed seminars, the kreis leadership secretariat and the party working group discussed the report conclusions. Together and unified, with full confidence in the Central Committee and its secretary general, our kreis party organization is fighting alongside all workers for the all-around, continuous fulfillment of our economic goals and local and intellectual-cultural tasks, i.e., for tasks relating to the defense of our country and to order, safety and cleanliness that serve as an example at all times.

These are all issues we are discussing in our proven comradely and constructive way with friendly parties and mass organizations which, through their work in the National Front, make an important contribution to resolving these issues. This is a well-functioning system of cooperation and control and of active socialist democracy, the effectiveness of which is determined to a significant extent by each comrade's personal perception of his political responsibility within the work collective, his social activities in mass organizations, the area where he lives and, last but not least, in the education of his children.

The impact a party member or candidate has as a model is directly linked to the constant attention the party organizations pay to attaining a higher level in their ideological work. It is for that reason that the party program emphasizes "how important and necessary the ideological work of each communist and each party organization is. Indeed, it is the most crucial element of party work." (Footnote 2) (Ibid, p 11) This is why we in the kreis leadership attach the greatest importance to regular prior consultations among the leading kreis cadres, the enterprises and institutions, and the work collectives. Every month, the kreis leadership secretariat and the city district council decide on the many political appearances of kreis leadership and council members and of kreis leadership and council political staff members at party meetings and in diverse political discussions with different groups of the population and at meetings of neighborhoods and the occupants of residential buildings.

In all basic organizations, the work collectives plan and control the political activities and accountability of all party and economic functionaries as well as of the functionaries in the mass organizations. The work of our election working groups under the direction of city district councils has become a tried and tested form of political work at the local level, and just like work on citizen petitions and concerns it is primarily handled on the basis of personal conversations. We always relate our direction and organization to the question of the contents, quality and effectiveness of the political activity, i.e., to how we can jointly persuade people, reinforce attitudes, motivate performance and resolve problems. This is the job assigned to us by the meeting of the Berlin district party's working group. For us, our work with people cannot be replaced by anything else; it means ideas, starting points and management implications for basic questions that cannot be resolved by clarifying an individual question.

Thus the secretariat and our comrades in the state apparatus work on improving the performance and structure of the local construction system, the service sector, the performance of artisans and of the trade network and on improving the work of managers of residential buildings and their repair brigades. Longer-term conceptualization and measures are opening up new ways and reserves for industrial territorial rationalization, the production of consumer goods, innovations and the HMT [Fair of the Masters of Tomorrow] movement of the FDJ.

In spite of all our good experiences and awareness of many a shortcoming, this portion of our work continues to make new daily demands on the ability of the kreis leadership secretariat to provide political direction to the social development of our area of responsibility. This is how we understand our tasks involving ideological work, which Comrade Erich Honecker stressed especially strongly in six points.

At the same time, Comrade Erich Honecker's statement determines the contents and action program for the upcoming elections. We as kreis leadership attach special importance to our work with the party secretaries and the direct guidance we provide to the basic organizations. However, while stressing achievements and above-average results, we never fail to examine the reasons why something was not completed. A firm basis of our party unity and solidarity and of the strong trust workers have in our policies is the fact that all important basic issues relating to the internal development of the GDR and its foreign policies are brought up and debated in public. This leads to--and is designed to lead to--the recognition that party elections are not a mysterious internal matter, and the publication of Comrade Erich Honecker's speech in the press confirms that. The party collective discusses in their area of responsibility whatever affects and concerns us all: our own contributions to the continuing dynamic development of our economy and all other social sectors, our contributions to the preservation of peace, work on continuing our social policies and the further enhancement of our work and living conditions.

Also, each of our party organizations is advised on how the anniversary of Berlin, in particular, should be celebrated and how the 70th anniversary of the Great Socialist October Revolution should be prepared in a way that is deserving of this world-historic event: a turning point in history, which has introduced a new chapter in the history of humanity and brought about the transition from capitalism to socialism, and which was the basis for the USSR's becoming a first-class world power. We are proud that our combat and fraternal alliance with the Communist Party of the USSR and our friendship with the peoples of the USSR is indestructible and an affair of the heart with our workers, especially our young people.

Since the 11th Party Congress, not only the demands on the leadership work of all party leaders have risen considerably as a result of their growing responsibilities, but the party itself has undergone a significant qualitative development. Our party program and resolutions adopted by the Central Committee are the common basis for the work of all party organizations. On this firm foundation, the fighting power of the basic organizations and their ability to reach the mass organizations and all workers have been strengthened. The influence of the party has been ensured in all social areas and the share of workers who are party members has continued to grow. Of the 980 candidates admitted during the year, 60 percent came from the working class and 74 percent of them are below the age of 30. The fact that 63 percent of the 39,950 comrades in our kreis party organization have a university or technical-school education and that 60 percent have graduated from a party school also speaks for the growing maturity and ability of the party organizations.

The meeting of the Central Committee secretariat with the first kreis secretaries has sufficiently demonstrated the kreis leadership's great responsibility for implementing the general policies of the party and for developing all intellectual and material opportunities in their territories at a higher level. The immediate direct guidance provided by our secretary general, Comrade Erich Honecker, helps us and all basic organizations mobilize and utilize all forces for new advances in line with the resolutions adopted by the 11th Party Congress. This is the best way to ensure that the party exists for the people and its welfare and that the harmony of words and deeds remains the firm basis for trust, performance and confidence in the future.

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SUMMARIES OF MAJOR EINHEIT ARTICLES, MARCH 1987

East Berlin **EINHEIT** in German Vol 42 No 3, Mar 87 (signed to press 11 Feb 87)
pp 194, 287

[Summary of article by Prof Dr Helmut Koziolek/Prof Dr Otto Reinhold. Koziolek is a member of the SED Central Committee, the director of the SED Central Committee's Central Institute for Socialist Economic Management, chairman of the Economic Research Council, member of the GDR Academy of Sciences, member of **EINHEIT** editorial board. Reinhold is a member of the SED Central Committee, rector of the SED Central Committee's Academy of Social Sciences, member extraordinary of the Soviet Academy of Sciences, member of the **EINHEIT** editorial board. The article (pp 209-219) was published in JPRS-EUR-87-075 (12 May 87) pp 98-112, using the text from **NEUES DEUTSCHLAND**, 11 Mar 87, pp 3-4]

[Text] On Creative Theoretical Work in Political Economics on Designing Developed Socialism in the GDR

Political economics in the GDR bears the responsibility for performing research on what needs to be done to carry out the SED's economic strategy to develop management and planning in the national economy. More research must be done on issues such as the implications of the scientific-technological revolution, the dialectics of productive factors and production relations as well as economic laws. How should we organize the interrelations between intensive economic development and the other areas of life in order to achieve the full development of the humanistic goals of our socialist society?

[Summary of article by Dr Karla Netzke/Prof Dr Willi Land. Netzke is a member of the SED Central Committee's political staff. Land is scientific secretary of the SED Central Committee's Central Institute for Socialist Economic Management; pp 220-225]

[Text] Critical Areas for Socialist Competition

Our success in translating our economic and social policies into action demonstrates the great effects of broad-based democratic worker action in socialist competition. What are the new questions for directing competition, particularly in connection with the introduction and application of key industries? What can party organizations and communists in labor unions do to enhance the effectiveness of competition in the new areas?

[Summary of article by Prof Dr Hans-Joachim Beyer, director of research at the SED Central Committee's Institute for Political Economics of the Academy of Social Sciences; pp 226-232]

[Text] Ways of Developing Sustainable Growth Rates

A new quality of economic growth requires the establishment of a lasting foundation for comprehensive intensification. This, first of all, means producing more quality goods from less material and energy, using them for production at a faster rate and, by doing so, ensuring good economic results. What can be done to make the key industries, in particular, the main source of larger materials savings? What would be the implications for management?

[Summary of article by Monika Werner, GDR State Council member, mayor of the town of Hennigsdorf; pp 233-238]

[Text] Increased Efficiency and Citizen Welfare at the Center of Local Politics

What do the city of Hennigsdorf's delegate assembly and its councillors do to improve the cooperation of enterprises, cooperatives and area institutions in order to achieve a significant increase in economic efficiency and better work and living conditions? The article describes how local policies take care of citizens' concerns and production efficiency, how the strength of a living socialist democracy can be effectively utilized and developed, and what the results and experiences of the commonality of economic and social policies have been.

[Summary of article by Prof Dr Harry Nick, director of research at the SED Central Committee's Institute for Political Economics of Socialism of the Academy for Social Sciences; pp 239-244]

[Text] Man and Computer

The huge and rapidly moving mechanization of mental work--the basic process of the scientific technological revolution--raises many questions that ultimately involve the relationship between man and technology. How can such a question be approached? On man's role in his relationship with technology and the responsibilities arising therefrom.

[Summary of article by Prof Dr Karl Lanius/Prof Dr Ulrich Roessberg. Lanius is director of the GDR Academy of Sciences's Institute for Nuclear Physics, member of the GDR Academy of Sciences. Roessberg is deputy area director in the GDR Academy of Sciences' Central Institute for Philosophy; pp 245-251]

[Text] Forward Push into the Microcosmos - Insights into the Macrocosmos

In recent times, nuclear physics and cosmology have yielded significant insights into the structure of

materials. A synthesis of both these rapidly developing areas of physical basic research shows today the contours of a picture of universal cosmic evolution. The article talks about trends in modern nuclear research, analyzes the philosophical-ideological foundations of such research and argues from the point of view of dialectic materialism about the ideological implications of these new insights. Why is it absolutely necessary today to limit the use of nuclear energy to peaceful purposes?

[Summary of article by Juergen Fritz, political staff member of the SED Central Committee; pp 252-256]

[Text] Strong Impulses for a New Direction in the Struggle of the Laotian People

The realistic assessment by the Lao Republic's People's Party at its Fifth Party Congress of the accomplishments of socialism provides a solid basis for additional tasks that need to be done so that the Lao people can make further progress. What is the focus of efforts to strengthen the role of the party as the principal agent for the realization of stated goals? What are the central issues of Lao foreign policy which is based on peace and cooperation? Mutual cooperation with Vietnam, Cambodia, the USSR and other members of the socialist community is described as the basic political principle of the country on the Mekong River.

[Summary of article by Dr Wolfgang Gaebelain/Dr Andrej Reder. Both Gaebelain and Reder are political staff members of the SED Central Committee; pp 257-262]

[Text] Struggling for Peace and Social Progress

The common interest of the developing countries in disarmament and development, in overcoming backwardness and neocolonial exploitation, in constructive and equitable international cooperation--the basis of their close anti-imperialist cooperation as an important, relatively independent force in world politics. What is the nature of today's struggle for liberation? What challenges do the communist parties, the other revolutionary and progressive forces in the developing countries face? What characterizes the relations between the socialist and the developing countries?

[Summary of an article by Prof Dr Gertraud Liebscher/Prof Dr Renate Wuensche. Liebscher is director of a professorial chair and Wuensche is department head at the GDR Academy of Political Science and Jurisprudence's Institute for International Relations; pp263-267]

[Text] The Movement of the Nonaligned Nations

The growing importance of the movement of nonaligned nations in world politics stems primarily from their active involvement in promoting the basic interests

of their peoples in peace, national independence and development, and from their success in rebuffing all imperialist attempts to pin the movement to a pro-imperialist ideology. What does the principle of nonalignment mean? What--despite their considerable social-economic, political and ideological differences--is the basis for unity among the nonaligned? What common interests do the socialist and nonaligned states share?

[Summary of an article by Prof Dr Klaus Kannapin, department head at the GDR Institute for International Politics and Economics; pp 268-271]

[Text] Against Neo-colonial Exploitation

Due to the exploitation and plundering of the "cheap-wage countries" by transnational monopolies, nonequitable trade, state-monopolistic credit, interest and debt-restructuring policies as well as the neocolonial raw-materials strategy, misery and poverty in the developing countries are rapidly increasing, while imperialism grows richer at the expense of the poorest people and uses their resources to strengthen its system. What must be done to break out of this vicious circle of neoclassical exploitation?

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MIKLOS ON 'CONSTRUCTIVE COOPERATION' BETWEEN STATE, CHURCHES

Budapest MAGYARORSZAG in Hungarian 1 Feb 87 p 21

[Interview with State Secretary Imre Miklos, president of the State Office for Church Affairs by, Ferenc Varnai: "Churches: Succession and Declarations"]

[Text] In an exclusive interview, State Secretary Imre Miklos, president of the State Office of Church Affairs, answered a few timely questions from our editorial staff.

Waiting for the Appointment

[Question] At the end of last year a delegation from the State Office of Church Affairs which you led conducted negotiations with the Vatican. What was the purpose of the negotiations?

[Answer] The most recent discussions between the Vatican and the delegation of the State Office of Church Affairs as well as the cordial reception again accorded to us by Pope John Paul II have generated interest and conjectures which are customary on occasions such as this. But there was nothing extraordinary about our discussions, and they are part of the continuous process of nurturing bilateral contacts. This relationship already spans more than two decades during which time numerous issues have been settled in a mutually satisfactory manner. The results achieved by the consideration of mutual interests were attained by joint, step-by-step efforts and are valuable to both parties. The gradually growing trust has also contributed to our ability to overcome problems or disturbances when they arose. On the occasion of the 20th anniversary of the partial agreement concluded in 1964, the Vatican newspaper, Osservatore Romano, in an article also spoke positively about the well-ordered relations with our country. For our part, we will continue to strive to improve the relationship which could only lend to results if our partners have similar intentions and if words and deeds are in harmony.

During our most recent discussions both sides concluded that the development of our relationship until now has been mutually advantageous. We also agreed that we must strive to maintain the present course and to improve the results already attained. We also appreciated that it is increasingly realized in the headquarters of the Catholic Church that the Hungarian government has a long-

range historical commitment to pursue the road to improving relations. In this our government is motivated on principle by sincere and honorable intentions which are in accordance with the responsibility we have toward our people and the world.

With regard to the Hungarian Catholic Church, we are still awaiting for the appointments to the posts of archbishop and bishop which had been vacated and still are vacant. In the course of our discussions we also exchanged views on this. We are confident that Pope John Paul II's decision concerning the appointment of a successor to Cardinal Laszlo Lekai Archbishop will be forthcoming in the near future. We are convinced that the future leader of the Hungarian Catholic Church as well as the Hungarian Catholic Bishops' Conference will continue to stay on the course represented by the deceased cardinal which served to deepen the national mutual agreement. This is what serves the fundamental interests of the congregation, the Catholic Church, the Hungarian government, the nation as a whole.

[Question] Similar concerns regarding other Hungarian churches were also discussed.

[Answer] It is quite true that new successors are on the agenda in other churches. Tibor Bartha, Bishop of the Reformed Church, retired 1 January 1987 because of declining health. The retirement of the eminent church leader whom we also greatly respected from the church administration functions which he has performed for nearly three decades has caused great concern for the Hungarian Reformed Church as a whole including, especially, the church diocese beyond the river Tisza. The question of succession puts a burden of grave responsibility on the leaders of the church diocese and on its self-governing organizations. The presidential council of the church diocese, exercising its rights, has nominated, contrary to its usual practice, two candidates to fill the vacated office of bishop. For our part, we view the multiple nomination as a manifestation of the democratization which is also increasingly realized in other areas of social life. We feel that the election of either nominee as bishop provides a reassuring guarantee for the preservation and development of the continuity of administration of church dioceses based on Calvinist traditions and commitment to our country.

Women's Religious Order

[Question] What is the reason for the growth in the social welfare functions of the church and why was a women's religious order established to fulfill this role?

[Answer] Our society, despite achievements deserving recognition, is also struggling, like all existing societies, with social welfare problems. The manifold social welfare services and the sacrifices assumed by our government and social movements which are inspired by deep and provident humanism are well-known. But despite even our best intentions and efforts it is difficult to tackle such tasks as caring for the elderly sick, elderly who are all alone, mentally retarded children, surmounting the damage caused by drug and alcohol abuse, and solving the problems of neglected or endangered youth.

For decades, the Hungarian churches--in accordance with their creed--assumed their share of social problems, and given their resources, they even assumed a lot of the burden. Without attempting to be comprehensive, I will mention that the Reformed Church operates 16 social welfare institutions and treatment centers for alcoholics. The Evangelical Church similarly operates 16 social homes for the care of the elderly sick and retarded children. The Protestant Churches, within the mission framework established under the direction of the Ecumenical Council of Hungarian Churches and the Council of Free Churches, deal with helping the integration of wayward youth into society.

The Catholic Church similarly assumes a significant role in the provision of social welfare services. To this end the subcommittee for social welfare of the Joint Committee which was created in 1950 deals with providing care for the elderly, sick, and disabled members of religious orders. Today, under the direction and supervision of their charitable service they already provide assistance to the needy in 18 homes--seven of which are supported by the state--in various parts of the country. In addition to providing care for the members of religious orders they also care for devout believers in social welfare homes. The scope of their charitable and social welfare activities have been strengthened by the formation of the Society of Our Lady of Hungary nursing women's religious order. The order will perform healing and nursing work in the health, child, and social welfare homes owned and operated by the Hungarian Catholic Church. This Society, headquartered in Budapest, is a community under diocesan law which is under the authority of the archbishop of Esztergom. Any Hungarian citizen, over the age of 18 may become a member of the order who volunteers to do so and are also suited for this work by their health and capabilities.

This highly respected social welfare work of the churches is organically integrated with our services system of this nature and contributes to the constructive cooperation between the churches and the state.

[Question] That the Hungarian churches, in the recent past, have increasingly taken a position on issues affecting society as a whole has attracted attention and on occasion a lack of understanding.

Defense of the Homeland

[Answer] This is in accordance with the productive cooperation between the socialist state and the Churches which fosters indispensable national unity within the country and peaceful coexistence internationally. In the last few years, the churches have expressed their positive viewpoints on several issues which are significant in our society and which affect a broad spectrum of the masses. Examples of this are: support of the electoral program of the Patriotic People's Front, support for our country's international endeavors, safeguarding the peace of mankind, social welfare issues, protection of the family, and environmental protection. And these are not the only issues worthy of mention.

For example, the Hungarian Catholic Bishops' Conference--in the spirit of Vatican Council II--made public a statement concerning the fulfillment of

military service in the interests of the defense of the homeland. This statement, in addition to being in accordance with Constitution and the agreement concluded with the state, is also noteworthy from the viewpoint of Catholic ethics: the religious individual may not shift responsibility for the defense of the country onto others, and no one may refuse to militarily defend the homeland by citing the "convictions of conscience" while also accepting that others, in case of need, protect their safety.

[Question] In the recent past, the church also issued a statement regarding people of Hungarian nationality living in other countries.

[Answer] Correct. That is, a number of requests were recently also addressed to the leaders of the churches which called attention to the concerns of the religious communities of people of Hungarian nationality living abroad related to Catholic, Reformed, and Evangelical religious worship. Prominent figures of the different churches, priests, and a segment of worshipers have in the past also tried to help their religious brethren of Hungarian nationality living abroad, in accordance with their scope for native-language worship, by sending bibles, prayer books, ecclesiastical texts, Church newspapers, etc--with the concurrence of the responsible institutions of the affected countries. Of the Hungarians living outside our borders the number of Catholic worshipers in the fraternal Socialist Republic of Rumania probably exceeds one million and the majority of whom are of Hungarian nationality. Of the six dioceses the largest--based on population--is the diocese of Gyulafehervar. Thus, it is understandable for the Hungarian Catholic Bishops' Conference to offer aid to the Hungarian language Catholic community living there.

But, the leading organizations of the Hungarian churches now also felt obliged to note their concerns about their brethren in the church newspapers. However, various, primarily Western newspapers and radio that are hostile to socialism attempted to assert--by the kind of manipulations that are already known and have been used in other instances--that the state is behind the statements made by the Hungarian churches and instead of taking a position itself, the state, so to speak, entrusts the churches to raise delicate and critical issues. This is a deliberate distortion. We never allow the jurisdiction of the churches and the state to become confused. It is well-known that the Hungarian government in accordance with its possibilities and with a profound sense of responsibility as befitting the matter strives to raise questions relating to Hungarians living outside the country, including also the Transylvanian Hungarian minority, so that they may live usefully and contentedly as citizens of the given country.

Sovereign Rights

The churches in Hungary are autonomous communities and relate to the state as partners and allies; thus, it is their sovereign right to express their views on issues concerning our society.

I am convinced that the Churches ... st as concerned as our socialist state is for our people here at home, on Hungarian soil, to live and work and for our society to develop and grow in such a way that those who are living outside our borders will not be ashamed of us.

MINISTERIAL PAY EQUIVALENT APPROVED FOR ACADEMICIANS

Budapest METI VILAGGAZDASAG in Hungarian No 20, 16 May 87 pp 50-52

[Interview with T. Ivan Berend, president of the Hungarian Academy of Sciences, by Endre Babus: "Scientists and Incomes; An Academic Question"]

[Text] Last week the Hungarian Academy of Sciences held a general meeting to elect members. The body--as was shown by this meeting too--has received a significant role recently in preparing government and other political decisions. In the following interview we asked T. Ivan Berend, economic historian and president of the Hungarian Academy of Sciences, about the role played by the Academy in society and about the new pay system for Academicians, among other things.

[Question] A few days before the beginning of last week's general meeting a government decree raised the honoraria for members of the Hungarian Academy of Sciences. What were the antecedents of this decision?

[Answer] The change had become increasingly urgent for two reasons. One was that the monetary awards connected with scientific degrees had not been raised in Hungary since 1950. In the beginning the 2,600 and 2,000 forint honoraria established 37 years ago for regular and corresponding members of the Academy respectively were by and large equal to the pay of university professors, but today they have shrunk to a ridiculously low sum. The 1,200 forint monthly supplement for a grand doctor's title and the 472 forint monthly supplement for a candidate's title have been similarly devalued. For many years this has been a serious grievance of Hungarian scientific society, which has been brought up repeatedly at general meetings of the Academy. Scientists of such rank and capacity can usually get additional income with various jobs, but this often led to a scattering of research energies. The increase in Academy honoraria as of 1 May finally creates more favorable conditions for research and a concentration of intellectual forces in the case of the most highly qualified research and university people. There is no doubt that this government step must be greeted as the sign of a turning point in respect for intellectual work.

On the other hand an increase in the honoraria was expedited by the fact that in the past 7-8 years the Hungarian Academy of Sciences has taken care of significant public life tasks. Our bodies took part and are taking part in the

preparation of government decisions and in providing expert opinion. The new distribution system for research money based on broad jury judgments puts an additional significant task on the Academy, which the membership takes care of without separate honoraria.

[Question] The new financing system now introduced--if I interpret the changes properly--provides academicians with income essentially corresponding, at any given time, to the pay of a minister in the case of regular members and to the pay of a deputy minister in the case of corresponding members.

[Answer] In the case of both classes the permanent income of members of the Academy will hereafter move between the value limits for the ministerial wage category. In essence what this means is that the monthly pay or pension of academicians will be supplemented by the Academy each month to a sum corresponding to the wage category mentioned; in the case of corresponding members, at this time, the supplementation will be to a sum between 24,000 and 28,000 forints and in the case of regular members to a sum between 28,000 and 30,000 forints.

[Question] This measure more or less seems to solve the problem of material recognition for the two hundred some odd domestic academicians. But the great majority of scientific researchers are badly paid--as you also mentioned. In a number of cases the Academy itself has called attention to the fact that alarming contraselective tendencies are effective in places in domestic scientific public life; in plain language, outstanding brains in more than one case turn their backs on a scientific career, because of the low pay.

[Answer] By raising honoraria for academicians we have only taken the first step in restoring a realistic evaluation of scientific work. Obviously additional changes are needed, and within a foreseeable time. It appears that there will be a partial possibility for this in the years ahead--in several steps. It is an already decided fact that as of 1 January 1988 the supplement going with the grand doctor's title will increase from the present 1,200 forints a month to 4,000 forints, built into the pay. In addition the Academy has made a proposal to change the financing system connected to the candidate's title. Our proposal was that hereafter, instead of the life annuity supplement, candidates be awarded a rather significant one-time sum depending on the quality of the dissertation. But in the course of the debates connected with this serious critical observations were voiced regarding our system of scientific qualification as a whole. The present five degree scientific system shows a practically feudal hierarchy unique even internationally. The scientific degrees built one on another--university doctor, candidate, grand doctor and finally two academic titles--forces researchers to prepare three large dissertations, while in many areas there is really no need for such thick monographic studies. Finally, in the wake of these criticisms, there was a decision for the Scientific Qualification Committee and the Academy to jointly review the present qualification system and on this basis the government will decide--probably at the end of 1987--on a possible modification of scientific degrees and the awards going with them.

[Question] Before the general meeting you released to the press a report from which it appears that in the past year the bodies of the Academy offered

opinions or did their own studies in a number of questions of general interest. For example, the presidium delegated a committee to study the preparation called Celladam and debated an Academy study analyzing the causes and effects of the acidification of the environment. In addition, in 1986, opinions were given on more than 150 state measures and draft regulations. But why is it that for the most part the Academy performs its experts activity behind the government scenes? Are you hesitant to submit to public opinion the sovereign position of science--if it sometimes differs from the opinion of certain state administrative organs?

[Answer] This question is closely related to the problematics of the functioning of the domestic political mechanism. The solution does not depend on the Academy alone. There might be a need for social openness a good bit broader than at present in Hungarian public life as a whole in the interest of laying the foundations for and social control of decisions. And I would not consider it sacrilege to place the Academy's position before the public even in cases where we agree only in part or not at all with the government ideas. (It must be considered natural that sometimes politics also reckons with political factors, such as the international interdependencies of some step, which are not necessarily considered by a scientific approach.)

I also consider it necessary to note that there is also a sphere of our experts activity which is linked to the internal phases of governmental or political work, namely when we give our opinion at the request of the prime minister or secretary of the Central Committee and, naturally, communicate with the requester. In such cases I myself would not consider it necessarily justified to go before the public with our opinion. But we could list in this latter group only 20-30 percent of the positions we take; in the other cases there would be no obstacle in principle for the position of the Academy to be expressed before public opinion more frequently than at present.

[Question] The Academy probably regards preparation of the new, modern encyclopedia as one of its greatest undertakings. Since the domestic public was subjected to serious disappointments in encyclopedia matters in past years it would be interesting to know how the work stands at present. When can one expect publication of the series, and with what schedule?

[Answer] At the beginning of this year a small editorial committee, nine members, was formed which intends to use a computer background to put under one roof, in 1987, the key-word system of the encyclopedia, which consists of 160,000 entries. This key-word catalog will essentially determine the internal ratios of the series. According to our plans the first two volumes will appear in 1990 or 1991 and we will finish the 16 volume work by 1998--counting on publishing two volumes per year. In the course of editing we would like to use, also as a cultivation of tradition, the key-word studies of the best Hungarian encyclopedia thus far, the Pallas classic, written by Eotvos, Koranyi, Hutyra and other greats. We would also like it if the best experts participated in writing the encyclopedia. So at last week's general meeting of the Academy I turned to the academicians and doctors of the sciences, a total of about 1,500 scientists, with an appeal for everyone to regard at least the preparation of a key-word study as a moral obligation.

[Question] On the basis of the list of new Academy members elected last week it appears that outstanding scientific performance has again been recognized here with the highest scientific degree with a significant delay. The average age of the newly elected regular members is a good bit over 60 years, although that of the corresponding members is this side of retirement age. Why is it, for example, that it is virtually impossible for a social scientist to be admitted among the members of the Academy here before the age of 50 years?

[Answer] Let me emphasize that of the 27 new--corresponding--members of the Academy just elected nine are only in their forties, and this is substantial progress. The average age of the new corresponding members is roughly 53 years. We could hardly achieve more in the present scientific qualification system. Researchers in Hungary--as I said--must travel a most long and many-stepped path to reach Academy membership. In the great majority of cases this is impossible under the age of 40-50 years. Of course there are exceptions, primarily among mathematicians who traditionally are the youngest academicians, they sometimes reach this stage in their thirties. A substantial change in this area can be achieved only after a reformation of the scientific qualification system. But we must still do much within our bodies so that people will not say in the case of younger researchers who are suitable on the basis of their scientific accomplishments--and today this certainly happens--that "they still have time." We need a broader inclusion of young talent.

8984

CSO: 2502/68

R & D SITES SUFFER SHORTAGE OF FUNDS IN HUNGARY

Budapest METI VILAGGAZDASAG in Hungarian No 20, 16 May 87 p 51

[Unsigned article: "R & D Funds"]

[Text] The demands being made of scientific research sites have increased but the conditions for research have deteriorated in Hungary in recent years. Between 1981 and 1985 the real value of the sum going to research and development here decreased by one percent every year--according to a just published Academy report which reviews the research experiences of the Sixth 5-Year Plan. For example, because of various measures the research institutes were forced to give up subscribing to journals and buying primary materials and parts. At the same time the personnel limits, which lasted for several years, caused sometimes serious replacement problems in new scientific areas.

The 12 percent of domestic scientific researchers (3,000 people) in the institutes of the Hungarian Academy of Sciences (MTA) used 14 percent of the research funds, a total of about 15 billion forints, in the first half of the 1980's. Of this 41 percent went to basic research, 40 percent to applied research and 19 percent to experimental developments. The state support making up the smaller part (40 percent) of the receipts of the institutes is more and more sufficient only to cover maintenance costs; to a very large degree the institutes finance research itself out of the receipts for special work. Thus the scientific achievements came closer to practical application but at the same time--as the Academy report notes--the demand for more comprehensive theoretical creation has been forced into the background in the past one or two decades.

Between 1981 and 1985 the institutes of the MTA participated in a total of 32 significant research programs. Seven of these studies were connected to the National Long-Range Scientific Research Plan. For example, the theme dealing with a comprehensive scientific study of the natural resources of the country had a budget of 365 million and research studying development of public administration and of economic policy managed with 35 million and 46 million respectively.

Another part of Academy research, for example, was directed, as part of the National Medium-Range Research and Development Plan, at microelectronic

developments (this cost 2.1 billion dollars), while 391 million forints was turned to research serving safe operation of nuclear power plants.

In addition the Academy did research on the basis of theme offers from the Agitation and Propaganda Committee of the MSZMP Central Committee. The three studies here examined the accommodation and innovation potential of Hungarian society, the development of national awareness and the public life activity of the churches, with budgets between 5 and 8 million forints.

The institutions did research on another 11 themes on their own initiative, among other things on prospecting for energy sources and laying scientific foundations for youth policy.

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CSO: 2502/68

WARSAW PZPR SECRETARY ON PARTY GROWTH, SELF-MANAGEMENT

Warsaw ZYCIE WARSZAWY in Polish 8 Apr 87 pp 1,2

[Interview with Andrzej Skapski, secretary, PZPR Warsaw Committee, by Alicja Matynia-Sonik: "An Opportunity in Independence"]

[Excerpts] [Question] The exceptional difficulties that the party has had to work against for years now have produced a longing for success and that is an understandable psychological phenomenon. However, does this not cause party officials to see things in unrealistically bright colors?

[Answer] I agree that the party and the people want success. That is quite natural. But I do not see any unwarranted optimism in the Warsaw party organization.

[Question] In some work establishments and enterprises, the party organizations are finding it hard to find their proper place under changing conditions. They can no longer work in the old way and have still not worked out a new style of action. They sometimes feel lost.

[Answer] This is an unusually important problem. Today, party work is much harder than it ever before. At one time, the party organizations (POP) operated under somewhat different principles, ones that I would say are much more comfortable than those used now. The reform economy, the rights of self-management and trade unions and competitive appointment of directors have forced the POP's to make substantial changes to their methods of acting.

Some party organizations somehow feel that they have lost their power and it is hard for them to find their proper place under the new conditions. That is why some plant officials ask whether it would not be better for the self-management organs and plant directors to be obliged to consult with the party over any decisions. However, that would violate the resolutions of the 9th and 10th Congresses. Party members must now more than ever use their own authority to establish the right position for their organizations. There is no other solution.

A party organization's authority is not dictated from above. Higher authorities can only help them. This means that if a higher party organizations makes fewer mistakes, it will be easier for the lower organizations to take various actions. On the other hand, we cannot expect for the Central Committee or the provincial committees to renounce their responsibilities. As usual, the opinions are varied in such cases. Some party members if certain problems are not dealt with by the higher or national party organizations, there is no reason for their own organizations to act on their own initiative or to go to the workers or non-members because "nothing will work anyway". For example, "as long as there is a housing shortage, there is nothing we can say to young people". That is not true. We can see this in the actions taken by groups of young people for whom the housing problem does not pose any obstacle to their own initiative.

[Question] Then what makes the party's work special? In many communities, the party secretaries are eager to document the achievements of their own organizations by showing the economic results attained by their factories but much more rarely do they ever mention examples of having cultivated correct attitudes, preventing conflicts or inspiring innovations.

[Answer] We can call that an example of escaping into economic results. In Warsaw we have many factories that have good economic results for which party members can also claim credit. That is justifiable because these party members have contributed much to those successes. However, party work cannot be limited to economic results. Unfortunately, our achievements are too slight in many other areas. I say this with a sense of self-criticism because I myself have, in observing other phenomena, reached the conclusion that our party organization's activities in this area have been too little effective and uninspiring. We must remember certain basic things by which I mean skillfully organizing party conferences, meetings between party members and non-members, holding discussions, arguing skillfully and evaluating all party members for their pluses and minuses.

[Question] The members of the Warsaw party organization are growing old. How does the party intend to rejuvenate its rank and file?

[Answer] Not with promises! With varying degrees of success (depending on the group with which we are dealing), we have tried to encourage young people by offering opportunities to act. The fact of the matter is that the number of new young party members is less than what it was 10 years ago. However, we can statistically prove that more young people are joining every year. However, it is not so much a matter of statistics as it is an issue of whether the young people are for the party or just do not care. There was a time when young people were "fans". Today, to a large extent they are with us. We must understand that young people are turned off by hypocrisy, insincerity and avoiding the discussion of important issues. The point is that if we are sincere with young people, they will not be against us. Today, young people expect more than did their fathers who were caught up in the rebuilding of Warsaw. This is a natural course of development.

[Question] What is now most important to the growth of the party?

[Answer] The most important things is for every party organization, with a better knowledge of the general goals of the party, to be able to act more independently.

We can never go back to the time when every POP was guided by "instructions from above". The entire party can work correctly only if every organization has full independence. This means that the basic echelons must learn to lead their own communities and they can do that with enterprise, wisdom, prudence and activity. The discussions preceding the 4th Plenum of the Warsaw PZPR Committee showed that we have begun to take that course but we are still only at the start of the road.

12261
CSO: 2600/614

PZPR MEETING ON WORKER SELF-MANAGEMENT FUTURE

Warsaw TRYBUNA LUDU in Polish 11-12 Apr 87 p 5

[Article by Krystyna Sontag: "Self-Management Produces Thrift"]

[Text] The subject of a two-day conference in Bydgoszcz on 10 April which was organized by the PZPR Central Committee Socio-Professional Department and the provincial PZPR organizations was the state, condition and tasks of worker self-management.

About 100 self-management officials, secretaries of factory party committees, the party aktiv and scientists participated in this meeting. Also present were Sylvester Zavadzki, Council of State member, and Maciej Lubczynski, director of the Socio-Professional Department.

Roughly speaking, the chief themes of discussion were the development of socialist enterprise, the search for effective means of cultivating among every worker a feeling of responsibility for economic success. The experiences that were shared by practitioners and the very synthetic ideas presented in specialists' reports make it possible to formulate additional conclusions about the further growth of worker self-management.

The statements given us by three conference participants clearly illustrate the directions that discussions here have taken.

Docent Tadeusz Jaworski, an expert on the Sejm Commission on Self-Management Affairs, said that the efficiency of self-management activity is determined by both internal and external factors. Founder's organs still do not conceive of the worker's councils as an important part of factory comanagement. This means that the possibilities of self-management in economics and the organization of production are still not fully exploited. In such a situation, worker councils often somehow stand apart from directors instead of acting as partners. However, to act as partners, the councils must have the right amount of information from both the ministries and the local governments which they can use to learn to correctly assess the situation within their

enterprises. The Treasury Chamber, bank or an efficient accountant can help them in this.

Zygmunt Jaruszewski, chairman of the Worker's Council at the Bydgoszcz Romet Plant said: "We must look for various means of realizing self-management. As long as we did not have a brigade system of labor, the worker's councils could not establish proper contacts with the workers in our 6 factories. Now that group work systems encompass 25 percent of our employees including administrative workers, the changes are obvious. Productivity has gone up 30 percent. People who manage themselves and distribute wages according to the work done are more far-seeing than those who feel no responsibility for anything".

Tadeusz Luszczak, first secretary of the factory PZPR committee at the Zremb Enterprise in Soiec Kujawski said: "For the growth of self-management in our factories, it is important to have a common language that the various organizations can understand. That does not mean that there is no need for views to differ because only discussion and compromise can lead to a sensible position. In our factory, self-management has produced thrift. I will only say that there are no problems with fluctuation but we are beginning to fear that this stabilization is holding up the influx of 'fresh blood' in the form of young people. This is something we must begin thinking about today". On Friday afternoon, the conference participants met in three problems groups.

12261
CSO: 2600/614

BRIEFS

JARUZELSKI RECEIVES MINISTER KUBERSKI--Warsaw, June 20--Wojciech Jaruzelski received here today the head of the group for permanent working contacts between the Polish Government and the Holy See, Minister Plenipotentiary Jerzy Kuberski. [Text] [Warsaw PAP in English 1925 GMT 20 Jun 87] /8309

MESSNER RECEIVES IRAQI MINISTER--Warsaw, 29 Jun INA--Polish Premier, Zbigniew Messner today received here visiting Iraqi Planning Minister Dr. Samal Majid and discussed with him relations of technical and economic cooperation between the two countries. During the meeting, attended by Polish deputy premier in charge of planning and the Iraqi ambassador in Warsaw, the Iraqi minister reviewed Iraq stands and continued efforts for ending the war imposed by the Iranian regime through peaceful means. The Polish premier said tribute to Iraq positive stands and peaceful initiatives and stressed necessity of ending conflict through peaceful means. The Polish premier said his government supports Iraq stands and efforts to end the war peacefully and expressed Poland desire to develop technical and economic cooperation with Iraq. [Text] [Baghdad INA in English 1521 GMT 29 Jun 87] /8309

CSO: 2020/131

SERBIAN LC PRESIDIUM EXAMINES SECURITY IN KOSOVO

LD181802 Belgrade TANJUG Domestic Service in Serbo-Croatian 1514 GMT 18 Jun 87

[Text] Belgrade, 18 Jun (TANJUG)--The Serbian LC Central Committee Presidium today examined first reports of its work groups which have recently been analyzing the political and security situation in all Kosovo municipalities, the causes of the failure to implement the conclusions of the highest-ranking party and state organs, and the consequences of a difficult situation in all spheres of economic and socio-political life, especially intranational relations, which are seriously disturbed in Kosovo.

As pointed out in a communique, the forthcoming plenum of the LCY Central Committee is rightly expected to considerably contribute toward resolute solutions on accumulated problems of the peoples' standard of living in the province.

The determination of the LCY to radically change the situation in Kosovo and to eradicate bureaucratic power, opportunism, hypocritical stands, and behavior, as well as overt opposition to conclusions of party and state organs, gives justified hope to the broad public that matters this time would be correctly and completely settled.

At the same time, this determination disturbs the enemies of our country, including first and foremost nationalists who take advantage of the unresolved situation in Kosovo as a proof that the LCY is an organization without any influence, and that Yugoslavia is in a state of crisis with no way out.

Nationalists, especially those from Belgrade who attempt to realize their hostile influence in Kosovo, are particularly worried that the LCY's resolute course, which was reflected in the preparation of conclusions for the forthcoming plenum, has led to a high level of unity in the LCY Central Committee Presidium with regard to resolute and consistent differentiation in the LC, and complete elimination of the causes of the emigration of the Serbs and Montenegrins from Kosovo.

Nationalists are attempting to recruit members of the Serbian and Montenegrin population in Kosovo by spreading rumours and political intrigues, and are attempting to organize mass gatherings in Belgrade to coincide with the LCY

Central Committee Plenum, with the aim of causing disorder. In this way they hope to disturb the holding of the plenum and the implementation of its conclusions.

The LC, together with the working class, young people, and veterans, has not and will not allow the forces of anti-communist and nationalist opposition to attack the gains of the revolution, of brotherhood, and of unity, and in this way to spread defeatism and hinder the implementation of the LC policy in Kosovo, it is stated in the communique.

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CSO: 2800/238

MIKULIC SPEAKS AT OPENING OF TOURIST RESORT

LD220232 Belgrade TANJUG Domestic Service in Serbo-Croatian 1337 GMT 21 Jun 87

[Text] Dubrovnik, 21 Jun (TANJUG)--The Dubrovnik riviera and Yugoslav tourism are now richer to the tune of 1,720 new beds, in the Sun Gardens tourist apartment complex, which has just opened in Orossac. The Dubrovnik hotel and tourism enterprise has invested 20,000 million dinars in the project. The first guests have already arrived in Orossac. Other accompanying facilities are at their disposal. The complex was built in a little over 9 months by the Ivan Lucic-Lavcevic construction work organization from Split.

The Sun Gardens were opened by Branko Mikulic, president of the Federal Executive Council, in the presence of numerous guests, including Antun Milovic, Nikola Lapov, Miodrag Mirovic, representatives of Dubrovnik socio-political organizations and the municipal assembly, and others.

Mikulic spoke about the importance of tourism for the country's economy, particularly given the search for less painful ways of securing necessary foreign currency resources. Tourism is our great development opportunity, not only because of our long-term, yet insufficiently utilized comparative advantages in this sphere, but also because in the future tertiary activities, which means tourism, also will play an increasingly important role in the overall material development of our country, Mikulic said.

The president of the Federal Executive Council also drew attention to the fact that tourism is up to 10 times more profitable in terms of foreign currency earnings than some classic forms of export. He added that tourism can have a stimulating effect on strengthening cooperation with other countries. According to Mikulic, the Federal Executive Council will in the next few days be submitting to the SFRY Assembly a draft strategy for the development of tourism in our country up to the year 2000, together with an appropriate program of incentive measures. For there is a firm conviction that our tourism can realize a foreign currency inflow of \$7,000 million at the end of this decade.

Precisely for this reason society will regard tourism as an exceptionally important branch of the economy and, accordingly will give it the same status as commodity exporters.

Mikulic also pointed to the opportunities for citizen's money funds playing a greater part, for more effective forms of cooperation and joint investments with foreign partners, especially in developing the infrastructure base, such as lines of communications, post office, and telecommunications, and so forth. In conclusion, he did not omit to stress the importance of how tourism, without which there can be no effective development of the foreign tourist trade, either. The tourist complex opened today is also important because it includes a good proportion of the infrastructure for the second phase of the Sun Gardens, which, when completed, will be able to take 5,500 tourists. In addition, supplies of drinking water to the surrounding islands of Lapad, Sipan, and Kolocer also have been catered for in the main.

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CSO: 2800/238

IVAN STAMBOLIC COMMENTS ON USE OF CRITICISM

LD200903 Belgrade TANJUG Domestic Service in Serbo-Croatian 1048 GMT 19 Jun 87

[Excerpts] Belgrade, 19 Jun (TANJUG)—At the time of comprehensive critical reexamination in society it is quite logical and even inevitable that the leading forces in society should reexamine their own critical attitude to the criticism directed at them. This is normal, because public criticism is no one's exclusive right although very often individuals behave as if it was a God-send gift not to be questioned, in the style of the Testament "let there be The Word!"

Ivan Stambolic, president of the Presidency of the SR of Serbia, said this yesterday addressing members of the Council of the SR of Serbia. Earlier, Stambolic spoke about the main aspects of the present crisis situation which, in his view, is characterized by the search by Yugoslav nations and nationalities for ways of continuing to build socialism and self-management under new and different conditions.

Speaking in greater detail about the problem of criticism in our society, Stambolic noted the need for a critical attitude to criticism which arises from the fact that certain critics are stubbornly trying to squeeze us between the bourgeois and bureaucratic visions of our past, present, and future. And our vision can be nothing else but Marxist. A vision ahead not behind! Views that bureaucratic and bourgeois systems are the sole alternatives for emerging out of the crisis, that the revolution should be forgotten, are being aggressively imposed on people. We are aware that this is being done in a situation where the degree to which the economy and workers control surplus value is declining and where the scope for self-management's successful functioning is being narrowed. As long as this scope remains narrow the opponents of self-management have a realistic chance of succeeding.

Ivan Stambolic went on to stress that in our social criticism and political life we still come across the ideological remnants of dogmatism which is expressed in statism. The essence of these ideas boils down to setting up the system of a representative state and party, and only that which is under its control is the sole possible legitimate representative of the working class. [as received] The fact that these forces use self-management phraseology as a decoy does not distract them from the essence of their political ambition of

neo-Stalinist origin. It is as if this decoy is not recognized by well-intentioned and self-management orientated people.

On the other hand, the so-called "liberals" are openly and consistently stressing that only the intelligentsia is capable of being the critical conscience of society and that only it can fashion higher social goals. Included in this category are also those who are attempting, first of all, to personalize policy in order to open up a political nit-picking campaign against people and thus foist on the public a guilt hunt, stirring up competition between politicking cliques as some sort of ideal of the democratic system.

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CSO: 2800/238

MONTENEGRIN LC CENTRAL COMMITTEE PRESIDIUM SESSION**LD171755 Belgrade TANJUG Domestic Service in Serbo-Croatian 1403 GMT 17 Jun 87**

[Excerpts] Titograd, 17 Jun (TANJUG)—The fact that only 1 in 11 LC members in Montenegro subscribe to the paper KOMUNIST and that the paper's circulation is declining because of the republican institutions, clearly testifies to the party paper not making anything like its expected contribution to the efforts of the LC to revitalize its reputation and influence in society. This was the assessment at today's session of the Montenegrin LC Central Committee Presidium, at which there was consideration of the realization of the editorial policy and material position of the Montenegrin edition of the paper KOMUNIST.

The view was stressed that KOMUNIST often carries good and meaningful contributions and that it is very informative and instructive but that very little of this filters down to the party and the public at large, among other things because the question of the paper's distribution has not been well resolved. In this connection emphasis was also placed on the need for a greater advertising and propaganda effect on readers and the resolution of many material, cadre, and other problems facing the editorial board, especially recently. There was also a warning that the paper must be significantly more "fiery" in ideopolitical terms and more up-to-date, especially as there is not one political review which comes out in Montenegro and article writing of this sort is not sufficiently developed.

The Montenegrin LC Central Committee Presidium decided that the next meeting of the LC Central Committee of this republic will be held on the 29th of this month, at which the chief topic will be "the tasks of basic LC organizations and organs in strengthening the social-class structure of the LC."

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CSO: 2800/238

REPORTAGE ON EGYPTIAN DELEGATION'S VISIT

Peace, Cooperation Discussed

LD290403 Belgrade TARJUC in English 0909 CMT 28 Jun 87

[Text] Cairo, 28 Jun (TARJUC)—The first round of the Egyptian-Yugoslav talks at the level of prime ministers has reflected Egypt's high interest in further strengthening and improving the good political and economic ties it has maintained with Yugoslavia for a long number of years.

The Egyptian delegation to the talks, headed by Prime Minister 'Atif Sidqi, includes also all four deputy prime ministers—Foreign Minister 'Isamat 'Abd al-Hajid, Minister of Defence and Military Production 'Abd al-Halim Abu Ghazalah, Minister of Planning and International Cooperation Kamal Ahmed al-Janzuri and Minister of Agriculture Tawfik Amin Wali—and 10 other ministers.

The two delegations discussed a whole range of international and bilateral questions. They expressed satisfaction over the renewed process of detente and the two superpowers' efforts to reach an arms accord. The two sides pointed out that the greatest responsibility for peace in the world rests with the superpowers, but that all other countries must be included in the (?quest for) peace if true peace is desired.

After first round of Egyptian-Yugoslav talks, the two sides warned that the process of detente initiated in the disarmament area should be extended to encompass also crises and crisis spots in the world, primarily in the Middle East. Both sides upheld the convocation of a Middle-East peace conference, under U.N. auspices, in which the Palestine Liberation Organization (PLO) would participate as the sole legitimate representative of the Palestinian people.

In a talk with the press, the hosts and guests underscored the importance of further strengthening and diversifying the Egyptian-Yugoslav bilateral cooperation, including at the military level.

Mikulic Meets Egyptian Defense Minister

LD290408 Belgrade TAAJUG in English 1722 GMT 28 Jun 67

("Pool" item)

[Text] Cairo, 28 Jun (TAAJUG)—Yugoslav Prime Minister Branko Mikulic and the Egyptian deputy prime minister and minister of defence and military production, Field-Marshal 'Abd al-Halim Abu Ghazalah discussed questions of the two countries' military and military-industrial cooperation during a meeting here this afternoon.

They noted the successful development of cooperation between the armed forces of the two countries.

In view of their nonaligned, non-bloc position, Egypt and Yugoslavia have special interest in expending this form of cooperation, in keeping with the policy of self-reliance followed by the nonaligned and other developing countries.

The need for developing the more advanced forms of cooperation in the military-industrial field, such as joint investment for research, joint production, industrial cooperation, and others, was pointed out in particular during the meeting.

Prime Minister Mikulic left Cairo this evening for a tour of Upper Egypt.

Flight of Debtor Nations

LD290418 Belgrade TAAJUG in English 2130 GMT 28 Jun 67

("Pool" item)

[Text] Cairo, 28 Jun (TAAJUG)—Yugoslav Prime Minister Branko Mikulic and his Egyptian host, Prime Minister 'Atif Shagi, held closing official talks here today.

The two prime ministers had conferred shortly before Mikulic set out on a day-long visit to Upper Egypt.

On this occasion, too, the two sides noted that for non-aligned countries, i.e., developing countries, must rely increasingly on their own resources and develop closer, more comprehensive cooperation among themselves.

Special efforts should be invested in the development of higher levels of cooperation, it was said, such as joint investments and industrial cooperation, including military cooperation which is becoming increasingly important in the overall cooperation among developing countries chiefly to avoid additional conditions by military powers in this country.

The Yugoslav-Egyptian dialogue highlighted the debt problem of the developing countries and expressed great concern for the position of the debtor countries. Both sides noted that among other things development projects had been shelved in many of these states. The two sides pointed out with the utmost gravity that the effects of this situation, which is least to blame on the developing countries, will be felt by all and not only the debtor nations.

Mikulic and Sidqi expressed the readiness of their governments to step up efforts towards the Movement of Non-Alignment and member states undertaking the most concrete actions, i.e., putting into effect the stands and decisions of recent non-aligned gatherings more efficiently.

In this connection, special emphasis was laid on the necessity of non-aligned cooperation in science and technology.

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CSO: 2800/238

UAE FOREIGN MINISTER ARRIVES ON OFFICIAL VISIT**First Such Visit**

LD261810 Belgrade TANJUG Domestic Service in Serbo-Croatian 1623 GMT 26 Jun 87

[Text] Belgrade, 26 Jun (TANJUG)--Rashid ibn 'Abdallah al-Nu'aymi, United Arab Emirates [UAE] minister of foreign affairs [title as received], arrived this evening on an official friendly visit. This is the first visit by a UAE foreign minister to Yugoslavia since diplomatic relations were established between the two countries.

At Belgrade airport the visitor from the friendly, nonaligned Arab country was welcomed by Raif Dizdarevic, federal secretary for foreign affairs, and officials of the Federal Secretariat of Foreign Affairs.

Soon after his arrival, Minister Rashid ibn 'Abdallah al-Nu'aymi was received by Branko Mikulic, president of the Federal Executive Council.

Raif Dizdarevic, federal secretary for foreign affairs, will give a formal dinner in honor of his guest at the Palace of the Federation in New Belgrade this evening. Toasts will be exchanged during the dinner.

Official talks between the Yugoslav and the UAE foreign ministers will open in Belgrade tomorrow, on which occasion various aspects of bilateral relations and cooperation will be examined, as well as the nonaligned movement's activities following the eighth Harare summit and other nonaligned meetings at the ministerial level. The talks will include an analysis of the present Middle East situation and that of other crisis regions. The two sides will also talk about disarmament, and about the current position of developing countries in international economic relations.

The UAE foreign minister will meet tomorrow with Lazar Mojsov, president of the SFRY Presidency. Tomorrow afternoon Minister al-Nu'aymi will leave for Slovenia. He will return to Belgrade Monday for final talks with his host, Raif Dizdarevic. Before his departure from Yugoslavia, Minister Al-Nu'aymi will also talk with a group of Yugoslav businessmen from the Yugoslav Chamber of Economy in Belgrade.

Meets Mikulic, Dizdarevic

LD262048 Belgrade TANJUG Domestic Service in Serbo-Croatian 1807 GMT 26 Jun 87

[Text] Belgrade, 26 Jun (TANJUG)--Branko Mikulic, president of the Federal Executive Council, today received Rashid ibn 'Abdallah al-Nu'aymi, minister of state for foreign affairs of the United Arab Emirates, who is on an official visit to our country. During the talks, which were also attended by Raif Dizdarevic, federal secretary for foreign affairs, the two sides discussed bilateral cooperation and a number of topical questions concerning international relations.

Mikulic and al-Nu'aymi expressed satisfaction at the establishment of diplomatic relations between Yugoslavia and the UAE, which considerably improves the possibilities for the promotion and expansion of mutual cooperation. Both sides expressed readiness for expanding commodity exchanges and greater participation of Yugoslav organizations in investment projects in the UAE. Also examined were possibilities for joint investments in Yugoslavia.

The FEC president and the minister of state for foreign affairs of the UAE expressed great concern about the continuing Iran-Iraq war. They stressed the vital need for exerting fresh efforts to end this war and to establish peace in the Gulf as soon as possible. They noted that the intensive activity of the Nonaligned Movement after the Harare summit once more reaffirmed its importance as an independent, global, and non-bloc factor in international relations.

Dizdarevic Hosts Dinner

LD271553 Belgrade TANJUG in English 2329 GMT 26 Jun 87

["Pool" item]

[Text] Belgrade, 26 Jun (TANJUG)--In their future cooperation, Yugoslavia and the United Arab Emirates wish to devote special attention to the development of mutual economic relations for which large possibilities exist, Yugoslav Foreign Secretary Raif Dizdarevic and UAE State Minister for Foreign Affairs Rasnid 'Abdallah al-Nu'aymi pointed out in Belgrade this evening.

Dizdarevic held a dinner in honor of al-Nu'aymi, who arrived in Belgrade earlier today on the first official visit to Yugoslavia paid by such a high-ranking UAE Foreign Ministry official since the two countries established diplomatic relations over a year ago.

Pointing out the similarity of views of Yugoslavia and the UAE on all international problems, Dizdarevic spoke extensively in his toast about the dangers of the situation in the Middle East and the Gulf region. He urged that further efforts be invested towards an atmosphere which will lead to an

end of the Iraq-Iran war and the improvement of overall conditions in the region.

Pointing out that cooperation between Yugoslavia and the United Arab Emirates should be promoted in the economic and also in other areas, Minister al-Mu'aymi credited Yugoslavia for the support it offers to the Palestinian people's struggle for the implementation of its legitimate rights.

Al-Mu'aymi underscored that the United Arab Emirates support the establishment of lasting peace in Lebanon and in the Gulf region since this is a precondition for normal developments there.

Discusses Economic Relations

LD272359 Belgrade TANJUG in English 1529 GMT 27 Jun 87

["Pool" item]

[Text] Belgrade, 27 Jun (TANJUG)--President of the Presidency of Yugoslavia Lazar Mojsov received here today United Arab Emirates Foreign Minister Rashid 'Abdallah al-Mu'aymi, who had arrived on an official and friendly visit yesterday.

Mojsov and al-Mu'aymi discussed the Gulf situation and efforts to end the Iran-Iraq war. They expressed an interest to seek through the movement of non-alignment and the United Nations a peaceful solution to this tragic conflict which, they said, threatens to escalate.

Mojsov and al-Mu'aymi also positively described the development of bilateral relations, saying they could be improved, especially in the economic sphere.

The questions of further promotion of economic cooperation were the main topic of the talks held here today between Yugoslav Foreign Secretary Raif Dizdarevic and United Arab Emirates (UAE) Foreign Minister Rashid 'Abdallah al-Mu'aymi.

Al-Mu'aymi arrived here last night on an official and friendly visit to Yugoslavia.

During the talks, the two ministers assessed that possibilities for promoting Yugoslav-UAE economic relations should be sought primarily in the development of higher forms of cooperation. They also pointed to the possibility of participation of Yugoslav enterprises in the construction of capital projects in the UAE. They also discussed cooperation in trade, which reached 12 million dollars last year.

As part of their discussions on international topics, Dizdarevic and al-Mu'aymi devoted most attention to hotbeds of crisis in the world and the activity of the nonaligned countries.

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CSO: 2800/238

YUGOSLAVIA

POLITICAL

ANGOLAN FINANCE MINISTER IN BELGRADE FOR TALKS

Increased Cooperation Sought

MB051358 Luanda Domestic Service in Portuguese 1200 GMT 5 Jun 87

[Text] The People's Republic of Angola and the SFRY intend to increase cooperation, particularly in the economic and financial fields. Angolan Finance Minister Comrade Augusto Teixeira de Matos is in Belgrade for talks with Yugoslav authorities with a view to broadening cooperation between the two countries in those fields. Minister Teixeira de Matos, who is heading an Angolan delegation which includes officials from the National Bank of Angola and the Ministry of Finance, has already been received by Mito Pejovski, member of the Federal Executive Council of Yugoslavia.

Talks Open

LD052350 Belgrade TANJUG Domestic Service in Serbo-Croatian 0852 GMT 5 Jun 87

[Text] Belgrade, 5 Jun (TANJUG)--Yugoslav-Angolan talks on economic cooperation have begun in Belgrade. The delegations are led by Mito Pejovski, member of the Federal Executive Council, and Augusto Teixeira de Matos, Angolan minister of finance. It is expected that the guest from Angola will have separate meetings today with Janez Zemljarić, vice president of the Federal Executive Council, and Svetozar Rikanovic, federal secretary of finance.

Received by Zemljarić

LD052355 Belgrade TANJUG Domestic Service in Serbo-Croatian 1403 GMT 5 Jun 87

[Text] Belgrade, 5 Jun (TANJUG)--Janez Zemljarić, vice president of the Federal Executive Council, today received Angolan Finance Minister Augusto Teixeira de Matos. In the talks, in which Mito Pejovski, member of the Federal Executive Council also took part, they viewed bilateral economic relations.

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CSO: 2800/238

BRIEFS

NEW BOSNIAN SAMP PRESIDENT--The Republican Conference of the Bosnian SAMP elected Ferhad Kotovic as its new president. Kotovic was born in 1934 in Kotorsko, located near Dubrovnik, and has been a member of the LCY since 1952. He is of the Moslem nationality. He graduated at a high school for political sciences and has performed a number of important and responsible jobs. [Text] [Belgrade BORBA in Serbo-Croatian 29 May 87 p 4 AU] /9599

INSTITUTE DELEGATION RETURNS FROM PRC--A delegation of the Belgrade Institute for International Politics and Economics led by Milan Sahovic, director of the institute, has returned from a 2-week visit to China where it was the guest of the Chinese Institute for International Studies. [Text] [Belgrade BORBA in Serbo-Croatian 29 May 87 p 5 AU] /9599

NEW TU PRESIDENT--The Council of the Confederation of Trade Unions of Yugoslavia elected Zvonimir Ibrabar as its new president. He will hold this post for 1 year. [Excerpt] [Belgrade BORBA in Serbo-Croatian 30-31 May 87 p 1 AU] /9599

TUPURKOVSKI RECEIVES ETHIOPIAN DELEGATION--Belgrade, 18 Jun (TANJUG)--Dr Vasil Tupurkovski, member of the LCY Central Committee Presidium, today received a delegation of the Workers' Party of Ethiopia (WPE), led by Dr Ashagre Tigletu, secretary of the WPE Central Committee responsible for international cooperation. In a friendly conversation the two sides pointed to the readiness and interest of the LCY and the WPE in stepping up contacts and cooperation between the two parties. Tupurkovski spoke in some detail about the LCY's efforts and activities in implementing the standpoints of the 13th congress. Ashagre touched in particular upon the role of the WPE in the current development of socialist Ethiopia. Dr Stanislav Stojanovic, executive secretary of the LCY Central Committee Presidium, and Mekonen Ghezaw, ambassador of socialist Ethiopia in the SFRY, took part in the conversation. [Text] [Belgrade TANJUG Domestic Service in Serbo-Croatian 12:1 GFT 18 Jun 87] /9599

KOSOVO COURT SENTENCES SEVEN--The Peć circuit court today concluded the trial of seven people indicted with illegal and hostile propaganda from positions of Albanian nationalism and irredentism, in accordance with Article 133, Paragraph 1 of the Penal Law of Yugoslavia. Shahin Berisa, student, from the village of Voljaca, with 2 years and 6 months imprisonment; Feriz Duli, also

student, from Jasenica, was sentenced 1 year and 7 months imprisonment; (Hysen Bergasi), also student, from [placename indistinct] was sentenced 2 years imprisonment; Seit Kabasi, teacher from (Gjorokvsi) 1 year and 7 years. All are from Kljina Commune. Ramadan Sala, from Pec, was sentenced 3 years imprisonment; Rifat Briukku, worker, from Pec, was sentenced to 2 years imprisonment; Besan Jipi, worker, from Pec, was released owing to lack of evidence. [Text] [Pristina Domestic Service in Albanian 1700 GMT 18 Jun 87] /9599

RENOVICA RECEIVES CUBAN ENVOY--Milanko Renovica, president of the LCY Central Committee Presidium, received yesterday Aramis Hernandez Fuentes, the outgoing ambassador of the Republic of Cuba to Belgrade. In their talks they concluded with satisfaction that cooperation between the LCY and the Cuban Communist Party has recently significantly improved. [Text] [Belgrade POLITIKA in Serbo-Croatian 20 Jun 87 p 2] /9599

RENOVICA RECEIVES TUNISIAN AMBASSADOR--Milanko Renovica, president of the LCY Central Committee Presidium, received yesterday Rida Abdelah [name as published], the newly appointed ambassador of the Republic of Tunisia to the SFRY. [Text] [Belgrade POLITIKA in Serbo-Croatian 20 Jun 87 p 2] /9599

CSO: 2800/238

AGRICULTURE'S ROLE IN ECONOMY, SOCIAL PROGRAMS EXAMINED

East Berlin EINHEIT in German Vol 42 No 4, Apr 87 (signed to press 11 Mar 87)
pp 297-304

[Article by Werner Pelfe, member of the SED Central Committee Politburo, SED Central Committee secretary for Agriculture: "Our Agriculture in the National Economy's Reproduction Process"]

[Text] Our party program has fully proven itself in life. That is also true of our agrarian policy. With initiative and creativeness the cooperative farmers, workers and scientists are implementing the goals contained in the party program. Farm production and its effectiveness are being raised systematically. That ensures stable and steadily improving supplies in food-stuffs for the population and raw materials for industry. With it, one has improved the rural population's living conditions and helped diminish the essential rural-urban disparities. The 11th party congress drew up an impressive balance-sheet on what has been achieved and worked out the tasks for the next phase.

In our agrarian policy we shall continue to pursue the goal, as Comrade Erich Honecker put it, "to develop our agriculture further as an efficient part of the economy. We rely hereby on the proven alliance between the workers class and the cooperative farmers."¹ Thereby our party takes the general Marxist-Leninist doctrine to heart that socialist agriculture can develop only through the joint efforts of workers and farmers under working class leadership. An efficient socialist agriculture is imperative for the political stability and the economic and social dynamics of socialist society. Also in the GDR with its developed industry, the standard of living of all working people and the rate of economic performance improvement greatly depend on the growth and effectiveness of agrarian production. For producing agricultural products 58 percent of GDR territory and 9 percent of the basic assets of the economy are used. Some 831,000 working people in 1986 produced 10.8 percent of the economy's national income. (All data on 1986 are provisional). Almost two-thirds of the primary raw material production are biogenic in origin. Circa 90 percent of the retail trade turnover goes to food and luxury items, which up to circa 90 percent depend on our domestic farm products.

The Alliance Between the Workers Class and the Class of the Cooperative Farmers—Our Society's Political Foundation

Our party always let itself be guided by that the alliance of the workers class with the class of the cooperative farmers forms the political foundation of our socialist society. That is due to the historic mission of the workers class as to the social position and responsibility of the class of the cooperative farmers. This alliance has decisively contributed to consolidating our workers and farmers state, copiously shaping and ever more perfecting the socialist production relations, and attaining a high level of the productive forces. Cooperative-socialist property developed on the basis of the political power of the workers class and the priority development of state-socialist property as the predominant property form in GDR agriculture. It is the economic basis for the class of the cooperative farmers. With shares of 92 percent in the agricultural acreage, 83 percent in the livestock, and 79 percent in the productive basic assets of socialist agriculture, the cooperative farmers own and use the main portion of the agrarian resources and are the main producers of agricultural commodities.

A very important role in the agricultural reproduction process goes to the VEG's [state farms] as the rural working class bases. Though they work only 7.5 percent of agricultural acreage and keep only 12.1 percent of the livestock in socialist agricultural enterprises, they produce roughly 20 percent of the seeded and planted crops and 18 percent of the bred and domestic livestock. So they significantly affect the achievements in the entire branch.

The two socialist property forms—the people's property and cooperative property—are in various ways linked with each other. They are the basis for the social development of our agriculture, for that within it the economic laws of socialism have free play. Also for the LPG's [agricultural producer cooperatives] and the VEG's the socialist planned economy and democratic centralism constitute indispensable conditions for their existence and development. The longtime experiences of the workers class always have been and are indispensable prerequisites for the cooperative farmers in the management, planning, organization, and control of interconnected production processes and an aid in fashioning socialist production in agriculture.

The crop and livestock production LPG's and VEG's, juridically independent and economically under their own responsibility, form the foundation of our socialist agriculture. They are working together in cooperatives, with cooperation councils which ensure the soil-crop-livestock-soil cycle and direct the streamlined reproduction process on the basis of effective accountancy. The management and reproduction process in the 13 agrarian-industrial associations includes the farm-owned ancillary enterprises and in part also the further processing.

In dealing with agricultural production and reproduction processes, some specifics deserve to be noted. The soil is not augmentable. On the contrary. Farm acreage shrank between 1970 and 1986 by 78,101 hectare, partly due to strip mining and to industrial, road, and apartment house construction. So it is all the more important constantly to enhance soil fertility and to use each square meter conscientiously.

The yearly rhythm governs the agricultural production process; it is dependent on the weather and on the season. Delays in field working or inept labor are not reparable or repairable only through high costs and normally lead to considerable yield shortfalls. That makes agro-technical deadlines, the quality of labor, and long-range planning so specially important in agriculture. Our party has always taken account of that. It therefore also endorses long-term cooperative development conceptions.

Individual production sensibly complements socialist production in agriculture. It is of considerable economic weight. Its share is especially high for products calling for large outlays (tobacco, honey, rabbits, fruit and others).

Today we have a unified, diligent, politically and technically highly educated class of cooperative farmers on which our party can always rely. Three-fourth of the manpower in agriculture is part of it. Of them, 90.8 percent have completed vocational training, 9.1 percent are college or technical school graduates. The Marxist-Leninist ideology puts its imprint on the cooperative farmers' minds; one out of seven is a member of our party.

Socialist agriculture has a modern, expandable material-technical base. Since the 8th party congress investments at a clip of some M 75 billion were placed in it. Fixed assets allocation per working person rose from M 57,122 in 1970 to M 129,100 in 1985. (Gross values, based on 1980 prices). It also documents the great achievements of the workers class. They, for all intents and purposes, determine the level and quality of agricultural production, the labor productivity, and the costs.

All that reflects the creative application of the Leninist cooperative plan under our country's conditions. All social development problems in agriculture and in the village have always been thoroughly discussed with the farmers. That is a basic principle of our agrarian policy. The cooperative farmers extensively participate, under working class leadership, in the exercise of political power and the development of socialist democracy on all levels and thus codetermine our policy aimed at the safeguarding of peace, the strengthening of socialism, and the well-being of the people. Our socialist democracy is a democracy in action. "With the 13th Farmers Congress, our party carries on the proven course of the agrarian policy of discussing all developmental problems of socialist agriculture with the farmers,"² as Comrade Erich Honecker put it at the conference with the kreis first secretaries. Tens of thousands took the floor in the public debate on the draft resolution.

There are various forms through which the cooperative farmers exercise their democratic participation. Within the people's representations 25 percent of the deputies belong to the class of the cooperative farmers. Through the Farmers Mutual Aid Association they have developed their socialist mass organization. More than 84.4 percent of the cooperative farmers and gardeners are members of that organization, the VdgB.

Our party members are collaborating confidently with the members of the trade union, the FDJ, the DFD [Democratic Women's League of Germany], with the DBD [Democratic Peasant Party of Germany], the CDU [Christian Democratic Union],

the LDPD [Liberal Democratic Party of Germany], and the NDPD [National-Democratic Party of Germany], and with all social organizations united in the National Front. The broadest form of the exercise of power and expression of socialist democracy are the LPG membership meetings and the VEG staff meetings held regularly, where basic decisions are made on the fundamental issues relative to the development of their LPG's, VEG's, and cooperatives. In those meetings the delegates to the kreis farmers conferences also were chosen where, in turn, the delegates were picked for the 13th Farmers Congress of the GDR and the members of RLN [Councils for Agricultural Production and the Foodstuffs Industry]. The RLN members bear special responsibility for a broad and fast application of scientific-technical progress and the structuring of the agricultural reproduction processes within the kreis. The draft of the RLN labor organization framework, published in the press and under discussion at this time, forms a sound basis for it.

Further Development of the Socialist Agriculture—Overall Social Concern

For the continued shaping of the developed socialist society agriculture plays a big role. A highly developed industry and an efficient agriculture are in their unity and in their many interactions the economic foundation for our socialist society. The importance of agriculture in the economic reproduction process is growing with respect to ensuring food supplies, expanding the domestic raw materials base, the effective shaping of foreign economy relations, the increase of the national income, its positive effects of environmental reproduction, all the way to solving fundamental socio-economic tasks such as the reduction of essential urban-rural disparities. Through a stable and effective fulfilment of its functions, agriculture is making a significant contribution to the main task with its united economic and social policies.

How our people's growing needs can be increasingly better satisfied, that much depends on the volume and quality of agricultural commodities and on the diligence and creativeness of the cooperative farmers, workers, and scientists in socialist agriculture. This amounts to a "historic deed, a basic condition for all history which has to be met still today, as millenia ago, daily and hourly."³ The basic prerequisite for it is dynamic performance growth by our agriculture. An ever more effective link between the advantages of socialism and the scientific-technical revolution and comprehensive intensification are aimed at that goal.

In the further performance growth of agriculture we pay the greatest attention to the qualitative aspects of demand satisfaction. That pertains to product qualities, the richness of assortments, healthy nourishment and many other things. Agricultural performance improvement also pertains to its raw material production. Agrarian raw materials are reproducible and thus of special importance to comprehensive economic intensification. Through its raw material production and its refining, agriculture is linked with nearly all other industrial branches. Circa one-seventh of industrial material consumption comes out of crop and livestock production. Performance growth in agriculture while improving the cost/benefit ratio is and remains a strategic, overall economic concern of the first rank.

Economic Strategy Being Implemented

The implementation of the economic strategy in agriculture--as in other economic branches--is aimed at lending a stable and permanent character to the comprehensive intensification. Essentially it becomes a matter of "faster increasing the production of crop and livestock products per hectare than the expenditure in live and embodied labor."⁵ In the 1981-1985 5-year plan we achieved an increase in agricultural production of 8.2 percent, compared with 1976-1980, a higher rate, i.e., than the production consumption, of 5.8 percent. With it, the net product grew by 13.1 percent. These proportions clearly indicate that we managed to enforce the comprehensive intensification.

These results were largely due to the priority development of crop production in the last few years. That was prerequisite to stopping the imports in feed grain and starting to develop livestock production through a performance increase per animal, animal stock remaining the same in numbers. This dynamic performance development is now being carried on on a broader basis and with increased stability.

"The key question for implementing the economic strategy also in agriculture lies in coping with the scientific-technical revolution and linking it ever more effectively with the advantages of socialism."⁶ Thereby alone can the comprehensive intensification of agrarian production become stable and permanent. It therefore is of an importance of principle for further production and efficiency growth "to develop agriculture still more comprehensively and rapidly as a branch of applied science."⁷ To that end the capacities of the science institutions are to be used far more effectively and top accomplishments are to be achieved, closer ties are to be created between those institutions and production, production processes have to be made scientific throughout, and the scientific-technical progress must be made to prevail more compellingly in the enterprises. For a more effective use of the efficient scientific-technical potential in the sector of the Academy of Agricultural Sciences, at the universities and agricultural colleges a long-term guideline was provided by a comprehensive research program up to the year 2000.

Great importance in converting agriculture into a branch of applied science attaches to the increased utilization of the key technologies such as microelectronics, EDP, and biotechnology. Tapping the economic potentials of such technologies increasingly determines the rate and economic effects of intensification. Already 1,266 computers are operational in the GDR agriculture. In 1986 the groundwork was laid for starting this year with computer-aided soil management in 43 enterprises and with computer-aided inventory management in 180 enterprises.

It becomes ever more clearly indicated that through the introduction of the key technologies a new and higher level of our agriculture's conversion to industrialized agrarian production, as set down in our party program, is being implemented, which will rely on the complex application of mechanical, chemical, electronic, and biological working tools and technologies. This way the farmers are providing new possibilities for themselves for fashioning the metabolism with nature so rationally that they will "bring it about with the slightest efforts and under conditions most appropriate and adequate to their human nature."⁸

Agricultural development requires and facilitates a speed-up in the application of new data in many basic disciplines. A cooperation contract between the Academy of Sciences and the Academy of Agricultural Sciences of the GDR is tapping the great potentials of both research institutions. Necessary also is deepening the cooperation between agrarian research and science facilities in the combines that are making means of production for agriculture. That achieves a better and more long-range coordination with the industrial combines and the materialization of jointly prepared technical solutions with higher economic effects. Our party leadership has dealt with that and passed the requisite resolutions for it.

Agrarian research is firmly integrated with international science cooperation. In firm alliance with the USSR and the other socialist countries, we do what we can to implement the tasks in the comprehensive program of scientific-technical progress by the CEMA countries up to the year 2000. There are, e.g., contracts and accords on the electrification or application of biotechnology in agriculture.

Closer Ties Between Science and Practical Farming

Coping with the scientific-technical revolution is unthinkable without further training for the cooperative farmers and workers and without their creativity and the use of their rich store of experiences. A great responsibility goes here to the college and technical school graduates in the LPG's and VEG's--today there are, after all, at an average more than 14 per agricultural enterprise. Their own research on scientifically pervading the production processes, cooperation with scientists, and expert direction for cooperative farmers and workers in applying the scientific-technical progress are important elements of their tasks. The scientific-technical centers in the bezirks and the ever more strongly evolving science and technology departments or working groups in LPG's and VEG's serve to provide information on and the enforcing of new science and technology data.

For purposefully tying up science data and the technical progress with best farming experiences, the acreage-related top yield conceptions and the barn-related top performance conceptions play a great role in the LPG's and VEG's. The complex utilization of all yield and performance affecting factors more and more turns out to be a basic condition for further production and efficiency growth. At the same time, the yield and performance development also depends, however, on a far larger differentiation among intensification measures. The creative and mandatory application of these conceptions calls for a high level of operations management and the all-round enforcing of the socialist performance principle. The cooperative farmers and workers must still be drawn much more into it.

Growing Intensity of Interactions

Through comprehensive intensification there grows the reciprocal dependency, the need for a correlated and coordinated development of all branches directly or indirectly involved in foodstuffs production. Agricultural raw materials enter into 75 percent of all commodity groups in the economy. Conversely, 70 percent of the commodity groups of the economy have a share

in providing agriculture with material-technical supplies. That reflects highly the higher synthesis between agriculture and industry that Marx predicted.

Ensuring proportionality between agriculture and the other branches that produce the means of production for agriculture and process, store, transport, and trade its commodities is increasingly becoming a key issue for fulfilling agricultural tasks with a high degree of economic efficiency.

A prominent position among the linkages between agriculture and other branches is the one with the branches that make means of production, especially farm machinery construction, electrical engineering and electronics, and agro-chemistry. By them, "agriculture is to be provided with means of production that would promote fund-saving intensification."⁸ The importance of preparatory industrial services can also be glimpsed by that in socialist agriculture their production consumption proportion lies around 45 percent. Most of these preparatory services come from sectors outside of agriculture as there are being made available more and more equipment, material, and services from the agriculture-owned preparatory sector, especially from the farm equipment enterprises and amelioration enterprises. In agriculture, forestry, and the foodstuffs industry rationalization means were produced in 1986 at a clip of M 1.7 billion.

The increasing interlinkage between agriculture and its ancillaries, where qualitative aspects (such as an improved adaptation of the means of production to natural or biological conditions, or a higher energy economy) and entirely novel preparation measures (like the delivery of computers) play an increasing role is at once marked by a higher quality of alliance relations.

Many relations exist also between agriculture and the subsidiary sectors, their mutual organizational, technological, and economic dependencies constantly increasing. In shaping these relations, the cooperation associations are playing an ever greater role. The proportionate organization of graduated production, the fast, broad and efficient conversion of the branch-specific scientific-technical progress, and a consistent ensuring of a higher economy demand that more of a use be made of the potentials of these associations. The basic concern of this form of product-oriented agrar-industrial cooperation lies in that the foodstuffs chain from the producer to the processing and trade and to the consumer is organized in such a way that agrarian raw materials are refined with the highest economic efficacy. Strong impulses are lent to that by the draft of the "regulatory framework for drawing the cooperation associations into the state decision-making process," published and discussed in preparation of the 11th Farmers Congress.

Further Perfecting Management, Planning, and Effective Accountancy

The system of socialist planned economy created in our country has stood up well in life. It has proven efficient, dynamic, and flexible. According to the 11th party congress resolutions, we must further improve what has been achieved. That means adapting management, planning, and effective accountancy in agriculture also entirely to comprehensive intensification and organizing it in such a way that thereby the scientific-technical progress, the quality

of labor, and all other qualitative growth factors would be furthered and induced at a maximum. The plan also is the main management tool in agriculture. The further perfecting of the management, planning, and effective accountancy system proceeds with regard of the specifics of cooperative property and the efficient use of natural factors. Doing so, we resolutely observe the principle that the crop and livestock production LPG's and VEG's as the basic units of our socialist agriculture remain the chief objects of planning. They with their cooperatives, to which they have assigned economic management functions, have all they need over the long run for comprehensive production intensification based on the plan.

Through the agrarian price reform the LPG and VEG efforts to increase yields and performance and trim specific material and energy consumption and make a better use of the fixed assets were effectively supported. Moreover, the merchandise-monetary relations between the means of production producing industry and agriculture were further improved. It helped that the agrarian prices were based on the planned economic outlays and the purchasing prices for farm products were raised accordingly. Retail trade prices remained unaffected by it. Setting prices that by and large reflect the socially necessary effort has proven a basic condition for cutting costs and for still more completely enforcing the principle that each LPG and VEG produces its own means while relying on effective accountancy. With just a few exceptions the LPG's and VEG's are profitable.

The good financial results achieved in our LPG's in the last 3 years confirm that the reproduction of cooperative funds under their own responsibility emphatically facilitates comprehensive intensification. In further perfecting the effective accountancy system in agriculture we thus follow the guideline from the 11th party congress to the effect that in the current 5-year plan "the cost and profit proportions created in the course of the agrarian price reform are, in principle, maintained."⁹ Our LPG's, VEG's, and cooperative facilities thus may contemplate over the long haul a systematic economic penetration of the production process.

Assured Prospects fo Cooperative Farmers and Villages

In its agrarian policy, our party lets itself be guided by that the class of the cooperative farmers is capable in principle of coping with the demands of the economic strategy with a view to the year 2000. Cooperative property has all that is needed for it. It has also been shown practically that cooperative property offers broad elbow room to the modern productive forces and facilitates effectively combining the results of the scientific-technical revolution with the advantages of socialism. These are matters addressed in particular by the young generation with a rise from 12 to 15 percent of those who are working in agriculture within the last 5 years. Our sector, consequently, has by now 677 youth research collectives.

The sound prospects of the class of the cooperative farmers in the final analysis depends on the objective need to make an ever better use over the long run of the specific potentials of cooperative property. That is why it occupies a firm place in the social structure of the developed socialist society.

The change in the social life in the countryside and in the looks of our villages has a lot to do with the development of socialist agriculture. And fundamental changes are taking place in this essential and vital sector of our society. It has become much more attractive to live and work in the countryside; our Marxist-Leninist social strategy, after all, makes the villages blossom and turns them into homesteads for the cooperative farmers and all other village inhabitants. The cooperative farmers who work and live in the villages give shape, prominently, to the rural socialist lifestyle. The LPG's as the VEG's derive a special responsibility from it in helping shape the living conditions. Through efforts jointly undertaken with all social forces and all enterprises the workers of which are living in the villages, the educational opportunities, housing and recreational conditions, supply and service facilities, social care and intellectual-cultural and athletic life are going to improve further. That also is served by improving the correlation of long-term developmental conceptions in the LPG and VEG cooperatives with rural design conceptions and their systematic implementation.

The Communists in the Lead

From the higher demands made on the leadership in social processes, as set down by the 11th party congress, each communist and each party collective derives the obligation to contribute to high achievements through exemplary, creative, and responsible action. We rely here on the rich experiences and great skill of the 173,374 communists in the 6,217 basic organizations of agriculture and forestry, whose fighting strength has grown further.

With the 11th SED Congress resolutions we possess a clear agrarian policy orientation for the great tasks in agriculture. "Without clear heads, and without a firm socialist consciousness and an unshakable class point of view they cannot be coped with. Here our ideological work is wanted in full."¹⁰

With initiative and creativeness, the cooperative farmers and workers are transforming into life the higher goals assigned by the working class party; through high yields and performances and increasing efficiency they are making their contribution to the further successful continuation of the main task policy with its unified economic and social policies. The communists are heading this struggle.

FOOTNOTES

1. Comrade Erich Honecker, "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den XI. Parteitag der SED" [SED Central Committee Report to the 11th SED Congress], Dietz publishing house, Berlin, 1986, p 38.
2. Erich Honecker, "Die Aufgaben der Parteiorganisationen bei der weiteren Verwirklichung der Beschlüsse des XI. Parteitages der SED, Aus dem Referat auf der Beratung des Sekretariats des ZK der SED mit den 1. Sekretären der Kreisleitungen" [The Tasks of the Party Organizations in the Continued Implementation of the 11th SED Congress Resolutions--From the Speech at the SED Central Committee Secretariat's Conference with the Kreis First Secretaries], Dietz publishing house, Berlin, 1987, p 58.

3. Karl Marx/Friedrich Engels, "The German Ideology," "Werke" [Works] Vol 3, Dietz publishing house, Berlin, 1958, p 28.
4. Comrade Erich Honecker, op. cit., p 39.
5. Erich Honecker, op. cit., p 59.
6. Ibid., p 60.
7. Karl Marx, "Das Kapital" Vol III, "Werke," Vol 25, Dietz publishing house, Berlin, 1969, p 828.
8. "Direktive des XI. Parteitages der SED zum Fuenfjahrplan fuer die Entwicklung der Volkswirtschaft der DDR in den Jahren 1986 bis 1990" [11th SED Congress Directive on the 5-Year Plan for the Development of the GDR Economy, 1986-1990], Dietz publishing house, Berlin, p 83.
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AGRICULTURE COOPERATIVE, STATE FARM INTEGRATION DISCUSSED

East Berlin EINHEIT in German Vol 42 No 4, Apr 87 (signed to press 11 Mar 87)
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[Article by Prof Dr Gerd Graef, department head of the SED Central Committee's Institute for Socialist Economic Management and Social Development in Agriculture, and by Prof Dr Harry Reimann, director of the institute: "LPG, VEG and their Cooperation"]

[Text] In the SED Central Committee secretariat's conference with the kreis first secretaries, Comrade Erich Honecker stressed the following point: "Consolidating the crop and animal production LPG's [agricultural producer cooperatives] and VEG's [state farms] and deepening cooperative relations amounts to an important precondition for implementing the economic strategy in agriculture. Cooperative factors are becoming ever more effective. Co-operation itself becomes an essential intensification factor."¹ How to make this intensification factor increasingly more effective is something that also concerned the cooperative farmers and workers in the LPG's main annual meetings and at the kreis farmers conferences. These democratic debates among the farmers clearly corroborated the party's orientation to consolidating the LPG's and VEG's as the basic units of agricultural production. They attested to the shaping of cooperate democracy and to the resolve to use the cooperate relations for further advances in the intensification process.

All experiences in our agrarian policy, especially in recent years, have proven that through this cooperation that form of economic organization has evolved that conforms to our cooperative-socialist property, ensures collaboration with public property, and taps the potentials of both forms of property in systematically fashioning the streamlined agricultural reproduction process.

For the LPG and VEG cooperative farmers and workers this cooperation is an intelligible form of systematic collaboration with other socialist enterprises and facilities. It offers broad leeway to an active and deliberate participation by the cooperative farmers and workers in developing their production and their social relations, and even more than that: Activity and conscious cooperating and collaborating is what creates the full effect for the potentials of this cooperation in the first place.

Such cooperation develops in conformity with the objective reproduction conditions and in the process of the division of labor produces diverse forms. One of the most important lessons of the implementation of the economic strategy thus far has been that the stable foundation of all these forms lies in the cooperation between the socialist crop and livestock production LPG's and VEG's. That turns the deepening of cooperation between the crop and livestock production LPG's and VEG's at the center of attention now. It ensures the unity of the soil-plan-animal-soil metabolic cycle.

Another developed form of cooperation are the Agrar-Industrial Associations (AIV's), entailing all division of labor links in the agricultural reproduction process and, to a growing extent, enterprises and facilities up and down the chain. Cooperation among the various levels of producers for a specific product or product group takes place in production cooperation associations (KOV's). New forms of science-production-cooperatives are evolving more and more, aimed at more rapidly making the scientific-technical progress productive.

Perfecting of Socialist Production Relations

Our agriculture has achieved the thus far highest yield, performance, and efficiency increases in the last few years and thus proven itself a stable factor of the economy. The party's clear orientation to consolidating the LPG's and VEG's and to deepening the cooperation was decisive for it. The 11th SED Congress derived the conclusion of principle from it to further deepen the cooperation, which goes hand in hand with the cooperation councils' assuming and constantly improving their exercise of economic management functions.²

This process takes place on the basis of the consolidation of the basic units of agricultural production, the LPG's and VEG's. Deepening cooperation is inseparable from consolidating the LPG's and VEG's. And more than that, practice demonstrates always again that one of the most important tasks of this cooperation is further to develop the in-house responsibility the LPG's and VEG's have for their own reproduction process and to overcome economically unjustified performance differentials. The more stable the LPG's and VEG's are, the more effective can they make their cooperation. Such an approach conforms to our party program, consolidates the class of the cooperative farmers, and develops socialist production relations in the countryside.

As everything else in life, this basic line of our agrarian policy does not prevail on its own. On the contrary, the process of penetrating changes in the shaping of the developed socialist society brings many changes also in agriculture in the material-technical, economic, social, and intellectual-cultural fields. Everything must be checked carefully, evaluated, and properly integrated, the development of the LPG's and VEG's and their cooperative relations as the requirements for the agricultural intensification process itself deriving from the qualitative development of the productive forces. After conscientious analysis and thorough consultation with the farmers, the party presciently introduced steps toward making the cooperation more effective, which amount to the further deepening of cooperation relations through perfecting management, planning, and economic accountancy. The LPG's

and VEG's are step by step charging their cooperation councils with economic management functions needed for a rational cooperation in the streamlined reproduction process that is organized by way of a division of labor. That creates favorable premises for making an ever fuller use of the advantages of specialized production. By the start of 1986 all cooperation councils were working in response to the model cooperation agreement, resolved as a state recommendation by the Council of Ministers on 13 June 1985. It contains all basic questions relative to the economic management activity, the rights, duties, and working style of the cooperation councils.

In being able to say today that our agriculture--as our entire economy--has made the transition to comprehensive intensification between 1981 and 1985, it is due, not last, to the SED's enlightened leadership over social development in the countryside, ensured, in particular, by effective political-ideological work in its LPG and VEG basic organizations. We have every good reason to affirm: The deepening of cooperation has turned out to be the decisive intensification factor because only through it did the advantages of the division of labor and of concentration and specialization become economically fully effective.

Cooperation and Intensification

Placing intensification on permanent premises calls for significantly speeding up the scientific-technical progress and turning it increasingly into the major factor for our production and efficiency development. That places the qualitative growth factors at the center of the economic activity in the LPG's, VEG's, and their cooperatives: Renewal, modernization and rationalization of the production funds and completing the production procedures, a qualitative development of the labor capacity through job and function-related training and advanced training and boosting the creativeness and will to perform by the cooperative farmers and workers, and an ever better control over the complex interactions of the objective and subjective elements in the agricultural reproduction process for ever more effectively exploiting the forces and conditions of nature. Special importance attaches here to further perfecting the whole management, planning, and incentive system in the LPG's and VEG's and their cooperatives and in their collaborating with state leadership.

Relying on the tried and tested social organizational forms and production structures in agriculture, the process of comprehensive intensification above all amounts to their further consolidation, stabilization, and perfection. In these social forms the rural socialist production relations exercise their impulse effects now and for the future. That turns this into the main trend of their further qualitative development. Life itself has demonstrated that cooperative-socialist property offers enough room for it and releases noteworthy performance potentials through cooperative collaboration with public property. It offers enough leeway for applying scientific-technical progress, especially for the gradual introduction of key technologies, and sensibly connects that with developing progressive peasant traditions in dealing with the soil, the plants, and the animals. That is why the 11th SED Congress made a point of that both forms of socialist property have their firm place in socialist agriculture. The long-term perspective of cooperative property

as the socioeconomic foundation for the class of the cooperative farmers is an essential element of our social and economic strategy.

What in particular marks the further development of the rural socialist production relations?

First it is a matter of ever better enabling the LPG's and VEG's as the basic units of social production organization, to exercise their responsibility for the economic and social relations in the enterprise reproduction process with a high degree of responsibility of their own. Here the cooperative farmers and workers--specialized as to crop and livestock production--come to grips with nature. All the material and financial funds needed for it lie in their hands. The LPG's produce their own economic results, thereby ensure expanded reproduction and the worth of their labor units, and turn over a profit to the state budget.

Their economic relations to their cooperating partners and other enterprises and facilities in the economy proceed on the basis of commodity-money relations. As socialist group proprietors the LPG's are sociopolitical communities within which the cooperative farmers effect their personality and class development.

That makes the deepening of cooperation the business of the LPG's and VEG's. There the cooperative farmers and workers are organizing their cooperation according to plan, on the basis of a joint plan, and for mutual benefit. The cooperation councils thus always act as elected organs of the LPG's and VEG's involved. Solely on their orders do they exercise economic management functions, and only to them are they accountable. The cooperation council takes all its resolutions in unanimity. That fully conforms to the cooperative principle and ensures the LPG's own responsibility as being composed of socialist group proprietors. Via the commissions of the cooperation council many cooperative farmers and workers are drawn from production as such into the process of decision-making.

Second it is necessary to turn the objectively necessary proportionate tie of the links of the streamlined reproduction process of crop and livestock production, producing by way of a division of labor, into something permanent through deepening the cooperation. In recent years, appropriate prerequisites were created everywhere for having LPG plenary meetings and VEG directors transfer economic management functions to the cooperation councils. Further improving their economic management activity has now become the central concern. What mainly matters now is a better control over the organic bond between the natural soil-plant-animal-soil cycle and the economic reproduction process and making greater use for it of the scientific-technical progress.

Third, the production dimensions and level achieved demand higher qualities in establishing, maintaining, and developing the conformity between overall social and individual interests as an impulse for socioeconomic development. Conformity of interests becomes an impulse if it becomes directly felt and experienced by the cooperative farmers and workers and motivates their action as they understand it. That calls for intermediate links between the society and the individual. Lenin referred to this connection. He emphasized that

the working people acting in the social interest would act mainly in their own personal interest, and that "solid planks" should have to be built via which this conformity of interests is established.³

Such collective interest levels as the work collective, the enterprise, and the cooperatives are necessary connecting links for it. Each of these links functions for itself but always also interacts with the others. The LPG's and VEG's that have in an exemplary fashion developed such cooperation excel through a high socioeconomic level. The performance disparities among the cooperating partners are hardly worth mentioning. All are making the best of their production potentials. And that precisely underscores emphatically that enterprise and individual interests can in the long run be implemented only through cooperation.

The productive potential of cooperation is enhanced when the crop and livestock production cooperation continues on the level of the work collectives. For that the work along the territorial principle has created favorable conditions, which have to be used still more intensively and have to be expanded. What matters now mainly is to consolidate the work collectives further, tighten their ties to the soil and the animals, draw them more fully into management and planning, and strengthen the unity between the LPG's and the villages. This way it will become easier, through deepening cooperation on all levels, purposefully to use the advantages of the socialist planned economy with all its inherent opportunities for democratic participation, to make much more still of the potentials of both property forms, and to ensure that the cooperative farmers and workers identify with the tasks for further comprehensive intensification.

New Quality of Economic Management Activity

Developing and better exercising the economic management functions in the cooperation councils presents the chief direction for improving the quality of cooperate activity. What matters now in economic management activity is to improve the application of the latest science data, control socialist industrial management better, and coordinate the intensification measures. The work must receive altogether more of a scientific character, more permanence, and more continuity.⁴

There are already S&T departments or working groups in many LPG's, VEG's or cooperatives. Now each cooperation council must deliberate on how a streamlined science-technology strategy can be implemented through concerted efforts by all partners. Science and technology application is no discretionary matter and must therefore be directed with purpose. It has been found beneficial to coordinate the industrial management rules in the cooperatives. More and more they are aiming their activity at elaborating developmental conceptions and fashion on that basis, through industrial management, the crop and livestock production relations in their complexity. That becomes important to making the natural soil-plant-animal-soil cycle more productive. Of crucial importance for high-level industrial management also are, however, exemplary coordinated labor organization, an effective joint competition, uncompromising performance comparisons, and the resolute enforcement of the socialist performance principle. Tenaciously we must concentrate the economic management

activity on eliminating unjustified performance disparities in the cooperation between the LPG's and VEG's. Exactly in achieving top values under comparable conditions one finds expressed the cooperation councils' skill in mastering socialist industrial management. There are still large reserves to be found here that must be tapped to improve our economic balance-sheets and our agricultural efficiency and for the benefit of our cooperative farmers and workers.

While getting set for the 13th Farmers Congress, all cooperatives are preparing developmental conceptions for the current 5-year plan period. These conceptions should be effective guidelines for permanently fashioning the new reproduction type, all-round intensive expanded reproduction, through which all measures required for the cooperatives and their partners are coordinated. Furthermore the quality of economic management in the cooperation councils calls for paying much attention to territorial development, especially to fashioning cultured living conditions for the cooperative farmers and the workers in the villages, using for it the advantages of cooperation in applying LPG and VEG capacities and funds in bringing local developmental conceptions to realization.

FOOTNOTES

1. Erich Honecker, "Die Aufgaben der Parteiorganisationen bei der weiteren Verwirklichung der Beschlüsse des XI. Parteitages der SED, Aus dem Referat auf der Beratung des Sekretariats des ZK der SED mit den 1. Sekretären der Kreisleitungen" [The Party Organization Tasks in the Further Implementation of the 11th SED Party Congress Resolutions--From the Speech at the SED Central Committee Secretariat's Conference with the First Kreis Secretaries], Dietz publishing house, Berlin, 1987, p 59.
2. Comrade Erich Honecker, "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den XI. Parteitag der SED" [SED Central Committee Report to the 11th SED Congress], Dietz publishing house, Berlin, 1986, p 46.
3. Cf. V. I. Lenin, "For the Fourth Anniversary of the October Revolution," "Werke" [Works] Vol 33, Dietz publishing house, Berlin, 1962, p 38.
4. Cf. Erich Honecker, op. cit., p 64.

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EFFECTIVENESS, FUTURE OF COMBINES IN ECONOMY ANALYZED

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[Article by Dr Guenter Mittag, member of the SED Central Committee Politburo, SED CC secretary for Economics: "The Course of the Main Task Determines the Party's Work and the Masses' Action"]

[Text] The tasks for the further implementation of the 11th SED Congress resolutions were presented in the speech by Comrade Erich Honecker, secretary general of the SED Central Committee and chairman of the GDR State Council, during the SED Central Committee Secretariat's conference with the kreis first secretaries on 6 February 1987 in Berlin.

That speech illuminated the far-reaching strategic character inherent in the 11th party congress resolutions. Their substance conforms to the stipulations explained one-and-a-half decades ago by Comrade Erich Honecker at the 8th party congress as the fundamental domestic and foreign policy course for the successful efforts by our party on behalf of the people. It is the course of the main task with its united economic and social policies. That way results of penetrating effect on the entire life of our society were obtained. This course will continue to determine the party's work and the masses' action.

It became apparent that our party solves present and future tasks by always letting itself be guided by Marxist-Leninist positions, proceeding and, at the same time, creatively applying Marxist-Leninist theory, in conformity with the conditions in the GDR. Doing so, it generalizes the experiences of the struggle and thus adds to our store of theoretical insights.

Since the early 1970's our party always started from "shaping the developed socialist society." Thereby it expressed its regarding the development of socialist society as an extremely dynamic process that must, under party leadership, be dealt with consciously and systematically. We have always assumed that socialism can fully unfold its advantages and possibilities only if the economy and the society at large go through an incessant upward development. To us, the shaping of the developed society thus has never been a process aimed at creating a specific condition by which it would be terminated. Rather, by developed socialist society we understand a society in dynamic upward development. The rapid development of the productive forces

provides the foundation for it. The central task is to make the most, perceptibly for each and comprehensively, of the social and humanistic character of socialism. The unified economic and social policies are the actual core of our conception of society in all this.

In shaping the developed socialist society, our party lets itself be guided by fundamental positions. That includes the interchange between the dynamic development of the productive forces and the further development of the socialist production relations. We proceed from the existence of socialist property in two forms--the people's property and the cooperative socialist property. We conduct a socialist planned economy according to the principle of democratic centralism, in providing central state management and planning with expertise as well as in extending the development of the working people's democratic partnership. We take account of the unity between use-value and value. We exhaust the whole wealth in the theory on intensive expanded reproduction, which ultimately gave us the 10 key points of the economic strategy up to the year 2000, and we pay strict attention to the socialist performance principle. All these are fundamental pillars of the Marxist-Leninist political economy, the foundation for our party's action in the past and in the future.

New Quality of Growth for the Good of Men

At the Central Committee secretariat's conference with the kreis first secretaries, Comrade Erich Honecker issued the task to keep in step with the growing dynamics of the productive forces and, racing against time, go into the lead at some important spots. This involves a new quality of economic growth for the benefit of man. Particularly in the field of the accelerated development and broad application of the key technologies the decision will be made on a further growth in economic capacity.

An analysis of the development since the 11th party congress demonstrates that more and more GDR combines can cope with most complicated technical, economic, and social processes in large-scale industry under the conditions of modern times for the benefit of man.

This here is a new quality of economic growth, based on having the source of science flow ever more abundantly for the benefit of our economic strength, our social wealth, and our social progress, as Erich Honecker put it.

That sets down a decisive point of emphasis for all the work we now have to cope with. In this sense a thorough analysis was made of what we have already accomplished in the GDR in the development, production, and application of the key technologies and what we have to concentrate on in the 5-year plan period up to 1990. That has deliberately been set down publicly before the party and the entire people.

What has been accomplished in the field of the key technologies deserves to be rated all the more highly as the GDR had to make great additional efforts in the decisive years behind us through expending considerable funds and resources to ensure economic growth on the basis of domestic raw material and energy sources. At that, the targets in the field of the key technologies

were not only met but, in part, surpassed. That is an impressive result through the capacities and capabilities with which our socialist planned economy provides us.

Now we must, with the greatest elan and energy, advance to the top in crucial sectors of the key technologies. That pertains not only to microelectronics and electronic computer technology, but also to flexible automation, the use of electron ray technology, laser techniques, the development of new working materials, and biotechnology. It likewise relates to lignite refining by use of effective technologies that are fairly innocuous.

A vast area lies before us for significantly improving economic efficiency through combining various technological means. No limits are set here to the richness of ideas and to energy, especially also among the youth research collectives.

In this sense we should take up what Marx said when he called technology the "deliberate and systematic applications of natural science, at whatever use-effect intended."¹ With it Marx taught us to think of technology and its development always in connection with man's productive activity.

Precisely after introducing the key technologies we can see on a higher qualitative level how correct it is to understand technology as a productive application of the modern natural sciences. It turns out to be equally correct to assume that man with his knowledge, skills, know-how, and readiness for top achievements, holds the key to the level, rate and economic and social result of the application of technology.

So the effort on behalf of the key technologies becomes a concern for all the people. It increasingly captures the thoughts and actions of each, and through the broad publicity on the questions and tasks connected with it by the press, TV, and radio everyone can get an idea of it and gets drawn in. It becomes evident that in socialism technology does not appear to man as a hostile force, but as a consciously and systematically applied means for implementing a policy directed at his benefit. Out of such an active position new energy and creativeness arise.

Producing top economic results--that is the crucial question. On it we have to focus the thoughts and actions of the competent managers, scientists, R&D personnel, technicians, master workers, and specialists and then all the broad hosts of innovators, members of the Chamber of Technology, the youth research collectives, in short, all working people.

This means we have to approach the broad introduction and application of the key technologies from the vantage point of responsible and economically oriented work in each combine.

Product Quality Reflects Efficiency

The tasks to ensure high product quality come first and foremost. "Like an incorruptible mirror, product quality reveals the true picture of a combine, its efficiency, its state of development. All the savings make a difference

only if the commodities produced satisfy public quality requirements, those of the population, of our own economy, and of the world market."² Thus, as the 11th party congress resolved, the task "to achieve throughout the entire economy a quality production that conforms to the world market"³ is firmly incorporated in our strategy. It does not stand alongside the other tasks on economic performance development, it does not have the character of an additional measure, the effort toward higher quality is inseparable from economic performance development as such. Production growth by way of intensification always means better product quality, along with trimming expenditures. That is how we must proceed now with still greater resolve, relying on what we have achieved.

Producing high-grade commodities for better satisfying social and individual demands is in our socialist economy not one question among many others. It touches the core of the socialist economy, the target of socialist production, the ever better satisfaction of the people's vital material and cultural needs. As in all other matters so also in the questions of product quality and its development, and of the importance of it for a dynamic economic growth by way of intensification, our party lets itself be guided by theoretical insights of principle from the classic authors of Marxism-Leninism as from a precise analysis of the concrete situation. Time and time again, Marx' dialectic of use-value and value, and always taking that into account, proves extremely important for our work.

Marx is known to have stated that "use-values form the substance of wealth, whatever its social form,"⁴ and that the utility of a thing is what turns it into a use-value. Use-value and demand satisfaction therefore are inseparable from each other. Better satisfying social and individual needs by increasing the use-value, that is what the struggle for higher quality, reliability and working life of products is all about. Also, we ought to point once again to Marx' recognition of the inseparable connection between the production of use-values and the socially necessary working-time for their manufacture. In the socially necessary working-time the various concrete products find a common social measure that exhibits the outcome and the investment in social labor for manufacturing use-values. That is the crucial question to socialism; for the law of the economy of time under the conditions of social production becomes law to a much higher degree.

Producing more high-grade use-values thus means always looking also at the social labor expenditure, at the costs and the economic outcome altogether. The struggle for upgrading the quality thus is also the struggle for reducing the costs. From the dialectical interaction between use-value and value important insights arise for organizing the struggle for higher qualities as an economic process, for the quality of the product depends on the "quality of labor expended."

As according to Marx complicated labor is simple labor multiplied, a higher quality of labor expended brings out a larger social product. On that is based the economy of enhanced raw material and semifabricate refinement. Above all the use of skilled labor on each production level makes possible that growth in use-value and in value which we need to increase our national income.

At the same time we have to see that there is nothing static about product quality. Quality demands are going up. Quality upgrading reflects the dynamics in productive forces development, which keep increasing steadily today. Thus the effort to upgrade qualities is inseparable from the ongoing production upgrading process. Therefore our party is orienting us to conduct everywhere the struggle for new products according to the highest criteria.

The decisive conclusion thus is to evoke genuine creative solutions for new products and technologies through the highest economic demands made on R&D. The available scientific-technical capacities in each combine have to be concentrated on high performance goals to put out internationally new insights and solutions for new high-grade qualitative commodities that are attractive on the market and more efficient technologies.

An implacable requirement for strengthening socialism, to which each combine must accommodate itself, is achieving a maximum time gain in coming up with top creative accomplishments and their productive utilization. Essentially this amounts to ensuring top achievements at the proper moment through slicing R&D time frames and, above all, making possible their most efficient direct economic utilization.

Each combine has for it, in basic matters, not only legal and moral, but even material competencies and possibilities and is obligated to expand them further within the scope of intensive expanded reproduction. Precisely this orientation it is that is aimed particularly at meeting top international standards in its production within the shortest time and thereby improving the qualities.

Ensuring high product quality is a major object of the democratic participation by the working people and their collectives in enterprise and combine management. The steadily ongoing concrete performance comparison, the joint consultations and precise analyses, connected with drawing the necessary inferences, reflect the functioning of socialist democracy in the combines and enterprises and serve the struggle for high and growing economic results. The struggle for higher quality has grown organically along with the development of socialism in the GDR. It is a regular component of the socialist mass competition, organized by the trade unions. High-grade labor and, hence, high-grade production are under public scrutiny.

The quality of labor determines the quality of production. A crucial prerequisite for success in the struggle for high quality is that the managers themselves head that struggle. That includes making sure by being very consistent that there are sound labor organization, high production continuity, order, discipline, and safety, and accurate quality leads and controls. Such management activity promotes a labor atmosphere which every day anew challenges and motivates the individual to become intolerant to quality deficiencies and perform his own functions faultlessly.

Democratic Centralism--Foundation of Our Socialist Planned Economy

The basic tasks for further perfecting management, planning, and effective accountancy in the GDR were outlined by Comrade Erich Honecker in the Central Committee report to the 11th SED Congress. We may assume the GDR has a well

functioning socialist planned economy system proving itself efficient, dynamic, and flexible. Its components and instruments are aimed at implementing our party's economic strategy. Wholly in the sense of intensification, it promotes not merely quantity advances but, above all, high-grade production according to demands at the lowest costs.

Its most important cornerstones are

- central state planning with a simultaneous comprehensive democratic participation by the working people,
- central planning and balancing,
- performance rating in terms of four main parameters, especially that of net production,
- effective accountancy with prices, costs, and finance and credit relations,
- a performance-oriented wage policy, and
- the contract system.

The combines with their enterprises are the backbone of the socialist planned economy in the GDR. The task was issued to perfect what has been accomplished. The fundamental economic processes remain firmly in the hands of the state, because central state management and planning guarantee that the work is aimed at a common goal everywhere. The overall social interests are bindingly reflected in the 5-year plan and in the annual national economic and state budget plans.

At the same time the 11th party congress has emphasized central state management and planning should ever more effectively be linked with the creative activity of the working people, the autonomous activity of the combines, enterprises, cooperatives and the local state organs. Socialist competition, extensive plan debates, the broad application of tried and tested methods of socialist industrial management, and accurate performance comparisons are indispensable elements of that partnership.

In industry and construction, transportation and communications, and in the bezirk-managed industry, combines have stood up very well as a modern form of large-scale socialist production management during intensification. With the combines we turned to intensification under complicated conditions, and with them we shall master the task of making it comprehensive and permanent.

What is decisive for the effectiveness of the combines today and for the future? It is the unified management of all important phases of the reproduction process, mainly the organic linking of production with science on an economic foundation. For that the combines with their enterprises already have a pronounced economic responsibility of their own. The plan is and remains the yardstick for the exercise of that responsibility. Conscientiously fulfilling it and surpassing it--at that are aimed the working people's initiative and own responsibility in the socialist competition as conducted by the trade unions.

Vital Democracy in the Crucial Sphere of Public Life

Whatever we do further for the management, planning and effective accountancy, it stems from the democratic essence of our socialist social order and deepens

it. The firm and irrevocable foundation for it is that the means of production in industry, construction, transportation, and communications are the people's property. That is also the foundation for the economic and political power of the workers class and all the working people in the GDR. That is the fruitful soil on which the democratic participation and activity of millions of working people in the combines and enterprises take place. It is a characteristic and indispensable element of our socialist planned economy along the principle of democratic centralism.

In the life of our combines and enterprises the democratic participation by the working people is vivid reality. "Help plan" means that in each combine, enterprise, enterprise department, and brigade the state planning tasks are deliberated on before the plan becomes law. This comprehensive plan debate makes it possible for every laborer to assume a position on the tasks ahead in time and offer his ideas, conclusions, and recommendations. Each one of us knows of how great an importance and of how much benefit that is.

Plan debate--that is the medium for discussing how through applying qualitative growth factors higher achievements become possible and also for clarifying how one can fast put into shape what is not yet in shape.

Everyone knows from his own experience that because of the high demands and criteria quite some things that will still do today will no longer suffice tomorrow. In that everything that concerns them is put on the table in the work and trade union collectives--from improving technologies, more suitable forms of labor organization to requisite training measures all the way to matters of provisions for the workers, commuting, and the working and living conditions--socioeconomic progress relies on the thinking and action of all.

Without such extensive plan debate, the reality of our plans would be inconceivable. In preparing the 1987 national economic plan and the 1986-1990 5-year plan, 6.1 million working people were involved. They came forth with over 777,000 suggestions. Those are just two figures, yet they indicate the magnitude of this democratic plan preparation process, proceeding so varied and vividly. That truly is a millionfold creative search for new solutions, for the best ways to success--for the good of the people, democracy in everyday life, democracy in the most important sphere of human life, in production!

"Join the work" means that every laborer in the combines and enterprises will make his contribution through his deeds daily and hourly, in fact, literally, in every minute, so that the economic total achievement results from it for the benefit of society. "Join the work"--disciplined everyday fulfilment of the labor tasks assigned, whatever they are, is connected with that. "Join the work"--that appeals to thinking about how work can become more productive and easier and costs can be trimmed everywhere. "Join the work"--that is the leitmotiv for great dedication, to react to requirements resulting from the vivid process of plan implementation, also by eliminating disturbances that have arisen, but mainly by preventing them in the first place.

"Join the work" means identifying with the labor tasks one was assigned, finding one's very own personal business in them. That of course is only possible if each is aware that labor in socialism is the basic premise

for the upward development of society as well as for his own personal development. Implementing the principle of "join the work" presupposes that each is thoroughly familiar with and exercises his responsibility in his job and in his collective. Each must know exactly what performance society expects of him and what he gets back from society for his achievements, performed in accordance with his abilities. This accurately determined personal responsibility for personal achievement is decisive for rating it and for the remuneration.

"Join the work" also then means the mission to come to grips daily with all the problems within the collective, such as would at times obstruct smooth plan fulfilment, and also to develop in this mental confrontation with the labor tasks those creative capacities that help make work more productive, easier and more pleasant.

"Help govern" means that each contributes to fill with life whatever was decided on, what was set down in the laws of the state, on behalf of society. First and foremost, one must do what one can to implement and meet the plan quotas. "Help govern" also means paying attention to the suggestions that are coming out of the process of labor, e.g., checking them, and implementing them in conformity with social requirements and possibilities. We have rules of law, e.g. in the Labor Code, on what extensive rights and duties all working people have in joining the work, the planning, and the governing. This fine purpose is served by many other state laws as well, including the innovators' order or the provisions for working with citizens' petitions.

So that the working people can help govern to the comprehensive degree, the responsible managers are under the obligation to consult with their collectives in all matters, to seek talks with the working people and elicit their ideas and initiatives, to respond to every suggestion, explain in detail the tasks assigned, and organize their implementation together with them. All that actually goes without saying in the routine working day. And time and again we find: he who makes the fullest use of the rich possibilities inherent in productive socialist democracy, comes up with fine and steady achievements. But someone else who leaves such opportunities unused, gives available performance reserves away. We are worlds apart from the exploiter society, where capital is in command and a laborer has no other right but to sell his labor. Socialism alone guarantees in the decisive sphere of public life, in material production, democracy that is truly alive.

The democratic participation and activity of the working people in our combines and enterprises is anchored within the very essence of our socialist social order, expressed in the unity between economic and social policy. Words and deeds coincide in this policy, issued by the 8th SED Congress and resolutely being implemented since. Its successes can be felt and experienced in every family. On that, mainly, is based the firm and unshakable relationship of trust between the party and the people, between socialist state power and the citizens. It forms the foundation for the creative democratic participation in the implementation of the socioeconomic goals set down in the plans.

The Unity of Economic and Social Policy Determines All Steps toward Perfecting Management, Planning, and Effective Accounting

Establishing the unity of economic and social policy at the 8th SED Congress by Comrade Erich Honecker placed the entire economic and social development of the GDR on a qualitatively new foundation. That set the crucial points of departure for taking effective measures toward the further perfecting of management, planning, and effective accountancy--not as an end in itself, but as the basis for creative human activity. This unity of economic and social policy also determines every other step in the further perfecting of management, planning and effective accountancy. Never did our party conceive of these matters in the narrow economic sense, it always related them to social development at large.

It has proven itself to react to ripening questions in good time and take bold new steps to always give free rein to creative human efforts. In this sense one began with the implementation of the 11th party congress resolutions to boost further the economic responsibility of the combines with their enterprises. And that mainly means that

- for the greater economic responsibility of the combines economic criteria are set and economic conditions are created;
- the combines are turned into the broadest base for the economically effective development and application of the key technologies to come up with more top achievements of international format;
- balancing will ever better accommodate the increasing intertwining in our highly developed economy to strengthen state planning, ensure proportionate development according to plan, and also set the preconditions for further enhancing the combines' and enterprises' economic responsibility; and
- the unity of material and financial planning is further consolidated. The categories of profit, costs, prices, credit, and interest must direct the economic interest of the combines and enterprises more and more compellingly at high-grade production according to demands, productivity, and efficiency.

The further expansion of the combines' economic responsibility connects with basic questions relative to the further improvement of management, planning, and effective accounting. They stem from the need always to proceed from the process of intensive expanded reproduction and to see to it that it is directed in all its phases and through the whole cycle, uniformly, on the basis of the plan.

In-house Production of Means Increases the Combines' Responsibility

The further strengthening of the combines' economic responsibility is served by the resolutions on in-house production of means, through which combine and enterprise interests get more effectively tied up with the social interests. Comrade Erich Honecker emphasized the application of the principle of in-house production at the 3rd Central Committee session as a basic way for better conformity between the performance ratio for society and the society's making funds available. Thus the goal of in-house production is to gain much growth in the national income and produce more goods for supplying the population, the modernization of the production apparatus, and export in topnotch quality and with costs slashed.

Through managing in-house financial funds (investment funds)⁵ one can employ in expanded reproduction only what was first produced. Thus one is taking another step to raise the combines' economic responsibility. This requires focusing still more consistently the entire management, planning, and effective accounting system on this higher economic responsibility of the combines. This involves steps of principle that are far-reaching in nature. That we are now beginning to take them logically follows from the status attained in the perfecting of management, planning, and effective accounting and from the combines' status of development. The idea is to establish all premises through management, planning, and effective accounting for deepening intensive expanded reproduction and placing it on permanent foundations. There is no other way to guarantee economic growth. At it, our economic strategy is aimed.

In that the possibility for forming funds for the further expansion of intensive expanded reproduction becomes linked directly with the economic outcome and, hence, with combine and enterprise economic activity, the cycle of intensive expanded reproduction itself becomes an object of effective accountancy. That provides it with a new quality. The economic nature of this process lies in ensuring the sources for intensive expanded reproduction through tapping means of accumulation in one's own sector. This process is economically expressed by that the financial outcome of the work of the combine, the profit, is larger at the end of the production period than at its start, and that part of the financial growth is then available for the internal accumulation in the combine. We thereby apply Marx' theoretical insights about the cycle of intensive expanded reproduction to the conditions of socialism. Recall the familiar formula P-V-M-V'-P'. Marx explored these matters from the vantage point of surplus value formation. We are interested in it under the aspect of tapping the internal growth sources, i.e. the qualitative growth factors for a larger surplus product, for a larger economic end product, on behalf of strengthening socialism. Recall what Marx, in the third volume of "Das Kapital," under the heading of "economizing constant capital," presented in insights for making better use of funds invested mainly through a better organization and management of the entire social reproduction process.

These are theoretical questions of fundamental importance for approaching the management activity. A general director in a combine must seek to manage the intensive expanded reproduction cycle in such a way that with everything he does--the assignment of labor and of material and financial funds--he will manage in the true sense of the word. The yardstick for success is a constantly growing end product for the economy which, at the same time, also crystallizes in higher profit for the combine. That requires not just to be thinking from one plan year to the next. It calls for prescient thought, to ensure even today the premises for the combine's higher efficiency in the years to come.

Merchandise-Money Relations in Our Socialist Planned Economy

These measures on effective accountancy in the combines and enterprises could be taken by our party only because we have a clear theoretical position on the socialist planned economy on the basis of public property. At the same time we have assumed in shaping the socialist planned economy that it has its objective bases in production socialization, through which socialist

production goes on in enterprises that are socialist commodity producers. Under the conditions of socialism, merchandise and value are objective categories. Proceeding from the plan, binding as an expression of the overall social and state interests, plan tasks are realized by way of economic relations among the socialist commodity producers.

Through the development of the planned economy in the GDR, ever since the people's property was created, we have always conformed to this dialectic between planning and the merchandise-money relations. The reproduction cycle of the entire economy as an economic cycle would be unthinkable without these merchandise-money relations and their being controlled by the state by means of the plan, or without the rules on effective accountancy and on dealing with costs, prices, credit, and interest according to plan.

In developing, improving, and perfecting the socialist planned economy in the GDR, our party never permitted any one-sided overemphasis--neither relative to central state planning nor to the merchandise-money relations. Central state planning was yet always the overriding factor which, also in the sense of the unity between material and financial planning--with price and wage planning as well--included the merchandise-money relations in the plan. That has been and is a basic condition to make possible a deliberate utilization also of the value law on behalf of strengthening socialism.

With the development of the combines as a qualitatively new form of the labor socialization process control appropriate to socialism, qualitatively new conditions have also arisen for the dialectic between central state planning and the structuring of economic relations on the level of the economic units. Their objective basis lies in that in the combines the process of intensive expanded reproduction in all its decisive phases is by and large closed, so that essential portions of the economic reproduction process are taken care of by the combines under their own responsibility, based on the plan.

Combine Responsibilities for Quality-Controlling Ancillary Supplies

From the standpoint of the combines' social responsibility, the task has to be resolved of developing the combines further so that they will "themselves produce the quality-controlling ancillary supplies."⁶ That is imperative for working everywhere with higher labor productivity and efficiency, for soundly and responsibly controlling the ever more complex interlinkages in the economy, and for flexibly and rapidly reacting to ever changing market demand requirements.

When one studies the works of Marx thoroughly one can hardly overlook that he never treated the matters of the division of labor in and by themselves. He defined the division of labor as a mighty factor for increasing the productive force of human work, but he also looked at the "division and combination of labor" in their dialectical interaction. He assumed the technical basis of machine industry to be "revolutionary" and stated in this context that the technical premises of production, the workers' function, and the social combinations of the labor process were constantly being transformed, whereby then also the division of labor was being revolutionized. The close connection he described between the development of technology and of the combination as of the division of labor implies dynamic, indeed revolutionary

development. For that reason one has always to give new thought to the conditions for structuring social labor organization.

When our party talks of the scientific-technical revolution, of its having entered a new phase, one must profoundly analyze that theoretical remark and the interaction that exists with socioeconomic processes. Then one can see that the very high rate of scientific-technical development and the use of its results as well as the breadth of its application, together with the reciprocal intertwining of certain fundamental processes in the scientific-technical revolution, have profound effects on the socialization of labor. An upward development is going on toward a new stage of combination of science, technology, production and sales in various mutually dependent and penetrating sectors.

When we deal with these matters of the combines' exercising their economic responsibility for the "ancillary production" as an 11th party congress mission, it is due to the analysis of objective requirements. That are requirements arising from the tremendous development of the productive forces. In coping with the key technologies and making modern commodities by the latest technologies we can advance of course only step by step. Each enterprise and each production department has to rationalize. Technological development must move ahead everywhere and must include the improvement of working and living conditions. However necessary it is to concentrate funds and focus on priorities, we must not allow progress to make a detour around some spheres in the combine enterprises. It is among our tried and tested experiences to organize rationalization as the main means for boosting labor productivity while increasingly bringing in more high-tech.

The Unity of Economic and Social Policy as the Core of the Economic Strategy with a View to the Year 2000 is our Main Battleground

This policy has been, is, and remains the constant source, flowing more abundantly year after year, for new initiatives to reach and exceed the assigned performance goals. It is of the greatest importance that we may assume in all our work that the GDR trade unions have resolutely aimed their socialist competition at implementing the 11th party congress resolutions. These great initiatives also inform the atmosphere in getting set for the 11th FDGB Congress. The competition goals are derived directly from our party's economic strategy. Thereby the trade unions are orienting the initiative of the enterprise and combine collectives to tapping with all their resolve the qualitative growth factors.

Under no circumstances is it any longer possible merely to set the task to increase production without at the same time answering the question how the qualitative growth factors can be applied to it. The point is that the reserves to be tapped by increased labor productivity and the trimming of energy and material consumption are not just written down on paper but crystallize in a concrete increase of primarily high-grade products. In this dialectic the work has now to be organized. It is everybody's duty to the party and to the people at large, and it is also an obligation toward creative work, which is developing everywhere at increasing range and intensity. More end products for supplying the population with consumer goods

have to be produced. The planned export tasks also have to be met, and this with increasing efficiency. And then it is a matter also of meeting all state plan positions crucial for the economy, public supplies, and export.

Our party is making great efforts so that the motives, ideas, and attitudes of the GDR working people lead to exactly those initiatives that are needed for the continued implementation of the 11th party congress resolutions. That includes all of us--the trade unions, the FDJ, the Chamber of Technology, the innovator movement--all who have written the strengthening of the GDR and of socialism and the safeguarding of peace on their banners and are making their concrete contribution to it under the motto, "My job--my battle station for peace!"

If we now get to work in each combine to achieve higher performance goals in 1987 in the sense of the continued implementation of the 11th party congress resolutions, we should always start with this in mind: In the 11th party congress resolutions we have a fundamental strategic orientation for all our work. The socialist planned economy, which has proven itself dynamic and flexible, will allow us through being further perfected to tap the internal sources of strength inherent in our society still more efficiently and effectively for the good of the people. The combines that have passed great tests and gathered great experiences are ready for the higher qualitative requirements with which they now must cope.

Based on firm confidence in our party policy, the people's initiative is the inexhaustible source for further successful fulfilment of all the present and future tasks toward strengthening socialism and safeguarding peace.

FOOTNOTES

1. Karl Marx, "Das Kapital" Vol 1, "Werke" [Works], Vol 23, Dietz publishing house, Berlin, 1962, p 510.
2. Erich Honecker, "Die Aufgaben der Parteiorganisationen bei der weiteren Verwirklichung der Beschlüsse des XI. Parteitages der SED. Aus dem Referat auf der Beratung des Sekretariats des ZK der SED mit den 1. Sekretären der Kreisleitungen" [The Party Organization Tasks in the Further Implementation of the 11th SED Congress Resolutions--From the Speech at the SED Central Committee Secretary's Conference with the Kreis First Secretaries], Dietz publishing house, Berlin, 1987, p 45.
3. Comrade Erich Honecker, "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den XI. Parteitag der SED" [SED Central Committee Report to the 11th SED Congress], Dietz publishing house, Berlin, 1986, p 51.
4. Karl Marx, op. cit., p 50.
5. For relevant order, see GBL Part I, No 3, 1987, p 15.
6. Comrade Erich Honecker, op. cit., p 46.

STRICT, COMPREHENSIVE CONTROL OF FACTORY INVENTORIES URGED

East Berlin SOZIALISTISCHE FINANZWIRTSCHAFT in German Vol 41 No 2, 1987
(signed to press 19 Feb 87) pp 8-9

[Article by Gunter Goldmann, chief bookkeeper, and Klaus Sohr, deputy chief bookkeeper of Pipe Combine VEB, Riesa Steelworks and Rolling Mill: "Comprehensive Tasks for Internal Controls in the Combine"]

[Text] How We Are Strengthening the Chief Bookkeeper's Control to Safeguard the Accurate Record of the Reproduction Process for the Protection of the National Property and the Mobilization of Reserves

Carrying out the economic strategy in accordance with the Eleventh SED Party Congress resolutions requires us to make even more effective the chief bookkeeper's control of combines and enterprises in the interest of society as a whole. It is imperative above all to greatly strengthen the orderliness of the accurate record of the reproduction process and the protection of the national property as well as to link it with the mobilization of reserves.

Resolute Protection of the National Property

We start from the assumption that the smooth flowing and disciplined accomplishment of plan targets can in the long run be guaranteed only if the requirements of order and safety as well as the protection of the national property are resolutely met at all times. However, these complex tasks cannot be handled only by internal audits and economic controls. They also need the commitment of every collective and manager. Only by these means will it be possible for the internal system of control to be further activated and made more efficient.

Reliable Methods and Tools for Control and Analysis

It is particularly important for the work of the chief bookkeeper for him to create the opportunities to deal with problems of plan fulfillment in combine management. The chief bookkeeper submits to the general director a monthly analysis of selected key points, complete with conclusions arising therefrom for the combine. These analyses represent an efficient tool for controlling plan fulfillment and guaranteeing order and safety. In addition to the issue

of efficiency, the analyses also and always deal with problems of financial discipline.

Topical problems relating to order and safety are also raised in the notes for the service or working meetings of the general director and, by these means, they are brought to the attention of the combine's management collective. These notes emphasize the evaluation of in-depth audits and balance sheet inspections or the results of stock taking. It is important for such documents to help prepare management decisions and to lead to decisions.

We assign the same importance for strict financial control and financial discipline to the work on the basis of topical documents such as Council of Ministers decisions or instructions and operational plans issued by the Minister for Finances and the minister for our industry. These need to be quickly interpreted by the combine management. Proper use of our industry directive for accounting and statistics represents an indispensable tool of the accounting and statistics staff for the implementation of legal regulations. It also provides a working basis for every manager. To ensure energetic efforts in accordance with these and other documents, the general director assigns tasks to enterprise and technical directors for the substantial interpretation and application of the instructions in the respective departments.

The pipe combine is in charge of drafting standardized control suggestions for guaranteeing order and safety, accurate performance evaluation and the development of performance and efficiency reserves. They are designed to enable wide circles of working people to carry out their own checks and, in the purview of the ministry, result in the largely standardized approach to the enforcement of and checks on financial discipline.

In addition the chief bookkeeper of the pipe combine is compiling a catalogue of weaknesses. This is intended to direct the supervision by enterprise and technical directors as well as the chief bookkeeper's control to such matters as are known from earlier experiences to be likely to neglect total societal interests in the interpretation of inspections by the State Audit, the State Bank, the ABI (worker and peasant inspectorate) or internal inspections.

Another requirement of the chief bookkeeper's control program is at least one biannual check on each combine enterprise with respect to the orderliness of the reporting of chief indices of performance assessment as well as the administration and utilization of the national property. Original documents must be inspected in the course of these checks. We have learned that standardized control plans are beneficial because they result in better comparability of the standard of financial control among combine enterprises.

To make sure of sufficient personnel to handle these very comprehensive inspections, the general director appointed a control group headed by the chief bookkeeper. It is made up of 20 responsible and qualified employees from all technical departments and, in addition to carrying out on the spot examinations and balance sheet inspections, must take immediate steps in the case of any problems arising in key areas.

The Work with Control Assignments Perfects Internal Controls

The steadily growing volume of controls requires new methods for the rational organization of operations. Of increasing importance, therefore, is the perfection of the internal control system by means of the control tasks assigned by the general director to technical and enterprise directors. One of the 1986 key points concerned control tasks for safeguarding order and safety in the field of factory inventories, including stock kept at the work bench.

The chief bookkeeper strictly controls the accounting of control tasks. This year technical and enterprise directors will carry out their own checks in accordance with the plan of control tasks. In addition the chief bookkeeper and his control and audit organs work with control tasks vis-a-vis the technical directors and enterprise departments, thereby rounding off the system of control tasks.

Constant analyses of the results of inspections serve to bring up to date the system of internal checks described here in outline only. The chief bookkeeper of the pipe combine, therefore, will assess the efficacy of his own checks as well as those of the chief bookkeepers of the combine enterprises in the past year. Subsequently he will present the weaknesses observed and his conclusions for management decisions as well as for the further perfection of controls. This material will be dealt with in meetings with the general director.

Such work can be done only by skilled personnel. It is therefore imperative to steadily improve the staff training, in particular after the issue new new legal regulations. We have learned from experience that a chief bookkeeper is well advised to pay the utmost attention to the working capability of his sphere of responsibility.

The issues dealt with here on the organization of comprehensive control are intended to serve as examples only. The rising demands on the reproduction process result in more and more new tasks related to the control exercised by the chief bookkeeper.

Priorities for Chief Bookkeeper Control

Stockkeeping and inventory control enjoyed priority in the past year. It was of the utmost importance by surprise inspections to point out defects with regard to the appropriate storing of stocks of materials. Another firm principle of our work consists in the evaluation of inventories (supervised by the chief bookkeeper)--whether of materials, replacement parts, semifinished or finished products. This allows for a prompt analysis to help the future avoidance of inventory discrepancies. The steady drop in inventory discrepancies demonstrates that we are pursuing the proper approach. It is absolutely necessary to as much as at all possible prevent repetitions of failures to maintain orderly stock and inventory keeping.

We must also with increasing energy devote ourselves more and more efficiently to making our scientific and research potential effective in terms of economics. The utmost attention needs to be devoted to the development of economic reserves with regard to the work with tasking manuals, the elaboration of basic decisions on investments, tasks for the enterprise innovator movement or the WAO [scientific labor organization]. We are most concerned about ensuring the fullest possible plan efficacy of the economic benefits derived from these measures of the plan science and technology. This involves constant checks on the observance of the cost and profit indicators set in the preparatory documents.

The following principles are involved in the control of the agreement between material and financial planning:

- The materials and energy funds allocated must agree with materials and cost planning. Costs planned unduly high are promptly blocked. If no agreement is achieved, payments to the state budget are the final sanction.
- If analyses show reserves, fund must ultimately be returned--in combination with the activities of the collectives.
- The state standards for materials and energy consumption confirmed by the Minister for Materials Management or the Minister for Coal and Energy must represent the basis of materials and cost planning. Out of date enterprise standards need to be revised and reconfirmed in accordance with scientific-technological advances.

The control plans of economic control are based on these premises.

In view of the fact that the planned ambitious annual growth rates (especially for the indices net production and net profit) are achievable only by substantial cost reductions, our economic control is directed mainly to the most conservative production consumption as well as to the observance and undercutting of cost plans. The appointment of persons responsible for costs represents a reliable method for obtaining increasingly analytical work on costs. These persons are charged--in addition to analyzing cost observance--with elaborating trends in order to be able to prevent adverse developments. Performance dependent salary indices for the persons responsible for costs are tied to their monthly analyses with the aim of securing the observance of the types of costs.

In addition we intend this year to appoint a responsible employee to supervise each production department in order to deal in particular with all problems arising with regard to cost observance. This strict control system enabled us last year to undercut planned costs in all combine enterprises.

Another priority is the steady reduction of losses arising from socially unjustified spending. The general director assigns reduction targets in order to avoid such spending. Observance of these targets is stimulated by target agreements. If excessive costs are incurred in spite of these measures, we use fact finding forms to enable us to find the actual reason and initiate measures for avoiding similar losses in the future. We consider it imperative

to insist on material responsibility in accordance with legal regulations. Other important methods for influencing work on costs are the work with the record books of workers' performance or the FDJ action materials management.

Checks to Ensure Truthful Reporting

One of the prime targets for the chief bookkeeper's control in the pipe combine is the guarantee of truthful reporting on the fulfillment of the chief indices of performance assessment. The general director therefore instructed us always at meetings in the general director's office to address the problems of orderly performance assessment and accounting in the monthly analysis of plan implementation. Other effective measures were adopted to ensure the orderliness of performance accounting. The following was provided for, for example:

- Accounting techniques for each production line must be revised and brought up to date;
- Constant checks must ensure agreement between the primary documents, such as shift reports and the actual performance accounting;
- Inventories must be taken, touching on the entire technological operation. All stocks must be checked at the same time—from basic materials to semi-finished and finished stocks. In addition inventories must be checked 3 times a year, depending on the discernible incidence of problems;
- The check plans of all combine enterprises must assign priority to the problems of performance accounting.

It is important and necessary constantly to review control processes. It is quite imperative to entrust more and more working people with carrying out checks and to respond to suggestions from the collectives.

As it is impossible to handle this increasing volume of tasks with traditional working methods, we are emphasizing the use of personal computers for accounting and control tasks. In this matter we concentrate on two development trends:

- Guaranteeing external and internal reporting in accordance with requirements at the same time as improving the standard of information supplied;
- Rationalizing subsequent work arising on the basis of the large-scale computer data, such as accounts forecasts and monthly analyses.

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CSO: 2300/269

COOPERATIVE PROJECTS WITH SOVIET UNION, CAMBODIA, VIETNAM

Budapest MAGYAR HIRDET in Hungarian 13 May 87 p 3

[Article: "Small Foreign Plants Constructed with Hungarian Cooperation"]

[Text] The Prime Planning Cooperative which deals with the planning and export of small plants is expanding its markets in socialist countries and several capitalist countries. It is preparing plans for shoe and furniture repair plants and for ABC department stores for delivery to the Soviet Union this year or in coming years. It has undertaken to deliver ready-made small factories for leather processing, fancy leather goods, and the manufacture of locks and padlocks to Vietnam. The plans were drawn up by Hungarian experts who will undertake the training of specialists, and deliver the machinery necessary for production with the participation of Hungarian cooperatives and industrial enterprises. Negotiations have begun with Cambodia for the sale of iron forge and ceramic plants.

In cooperation with the Hungarian Chamber of Commerce the cooperative had made offers to the interested experts of 34 Asian and African countries for the planning and building of 23 kinds of small plants. In Pakistan negotiations are in an advanced state for the implementation of a number of investments. According to the proposals facilities will be delivered to the Asian country for small plants for the manufacture of ballpoint pens, silencers, filters and dry cells.

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CSO: 2500/370

ENTERPRISE'S LOSSES BLAMED ON THIRD WORLD BUILDING PROJECTS

Budapest HETI VILAGGAZDASAG in Hungarian 11 Apr 87 p 62

[Interview with Mihaly Petrik, director of the Nikex Heavy Industry Foreign Trade Enterprise]

[Text] Nikex with its annual trade of 20 billion forints is one of Hungary's largest foreign trade enterprises. This firm which deals primarily with the export and import of heavy industry products has gone through years filled with problems. Large state investments and the number of heavy industry reconstruction jobs have decreased considerably, and understandably along with this the Hungarian import demand has also declined. Worldwide a good many branches of heavy industry are struggling with crises, and thus Hungarian export possibilities have also become limited. Moreover, Nikex participated as a principal contractor in several jobs in the Near East which ended with losses. How did they manage or did they manage at all to recover from these problems, what responsibility does a foreign trade company bear for a transaction that has gone bad? Among others, these are the questions we asked from Mihaly Petrik (51 years old), director of the Nikex Heavy Industry Foreign Trade Enterprise.

[Question] It is now enough to mention the Libyan, Iraqi, Algerian constructions. Everyone knows that we are speaking of the largest primary contractor jobs in the construction industry in recent years which "yielded" very heavy losses for the enterprises and Hungary alike. For example, the VAEV's [Veszpremi Allami Epitoipari Ballalat (Veszprem State Construction Enterprise)] Iraqi housing construction job ended with a loss of several hundred million forints. Nikex participated in all of these. Why did it undertake such uncertain projects?

[Answer] Obviously it would be an unworthy defense if I were to say that I have been in charge of Nikex only for a year and that in the early 1980's when these agreements were signed I was the commercial adviser in Milan. It may be that at that time I would also have made the same decision. A party and government resolution stated that construction industrial capacities which had become superfluous at home must be taken abroad to countries where they want to devote a part of their oil income to housing construction and infrastructural investments. That is to say, at the time the obligation was made the transaction did not appear uncertain. In fact, the calculation

included an appropriate profit. The trouble was not with the idea but with the implementation, for most of it depended on the implementation--in the construction industrial sense of the word. In my opinion a foreign trade enterprise can do a good or bad job of shipping or arranging tax and customs matters, but it has no influence over implementation, which is the main source of profits or losses. In my opinion the contracts that were signed at the time and the given price calculations can still hold their ground, but what we did not count on was the fact that the Hungarian construction industry enterprises working abroad would under the circumstances work with material, time and labor in a way that would significantly exceed even the domestic norms. We could not have counted on this, because at that time the Ministry of Construction and Urban Development designated its best enterprises for export work.

[Question] What reason do you have for saying that the price calculations made at the time would still hold their ground? Unfortunately, experience has proved the opposite to be true.

[Answer] The price calculation exceeded the norms of domestic construction costs, and at the same time other, foreign enterprises were offering about the same prices, and as a matter of fact they still are. Even today it is not possible to obtain orders with higher prices. This assumption is confirmed by the fact that when we saw that the Algerian housing construction job would show a considerable loss we entrusted its implementation to an Italian firm while maintaining the original terms. It is now evident that the foreseeable loss calculated at the time of change in partners was cut in half by the Italians. And still there is a large number of Hungarian engineers and workers employed on these houses, that is to say, the fault was not with Hungarian work; the fundamental problems were organization and material supply.

[Question] What deductions were finally drawn from this fiasco? Do we have to look more carefully at the domestic or foreign partners with which we sign contracts or do we have to withdraw entirely from the principal contractor market for construction industrial export?

[Answer] Naturally we examined our own role in these matters and we drew the proper conclusions. Nikex will pay from its own resources for the losses suffered in these jobs, but we also decided that we will no longer participate in such high-cost principal contracting in the future. Of course it was not difficult to arrive at this decision because the demand for such services on the interested foreign markets is constantly declining. But we shall continue to take jobs--primarily in West Europe, but elsewhere as well--as subcontractors for West European firms and with appropriate Hungarian partners. We now have an increasing number of such jobs, for example in the FRG and Austria, or in developing countries together with West German firms.

[Question] Accordingly, the enterprise's financial position was not shaken by these unsuccessful principal contracting jobs?

[Answer] Our financial situation was not shaken, but it has caused problems, and at the end of last year we were only able to solve the problem of meeting the losses by taking out credit. Otherwise the enterprise conducted 20 billion forints' worth of trade last year, of which 7 billion was in export. This included 3.8 billion forints of income in convertible foreign currency. Indexes for last year and previous years as well—for example, earnings, costs, profit and trade growth—were at the average for domestic foreign trade enterprises. Our plan for this year calls for similar achievement, which is no small matter given the world market situation.

[Question] If we look at it from the export side, the situation does appear to be difficult. The branches which belong to your profile—manufacture of machinery for construction and construction material, the manufacture of machinery for coal and mineral ore mining and metallurgy are not experiencing an upswing in the economic cycle. It is difficult to sell their products on the world market, and with the lack of large Hungarian investments domestic import demands have also declined. On the other hand, it is rather easy to buy, at least in capitalist countries, and almost 40 percent of your trade comes from imports.

[Answer] Several years ago three-fourths of our trade came from imports, but this ratio is gradually declining. Otherwise, half of our capitalist purchases are spare parts. Our deliberate business policy is to establish cooperation in manufacture with our stable, reliable partners. In this way with the domestic manufacture of some spare parts we can reduce our imports and in some cases even earn export income. Moreover, the acquiring of import commissions is no longer assured for our enterprise on basis of previous profile arrangements, partly because of the well-known situation regarding convertible import possibilities and partly because there are now enterprises with such foreign trade rights as can take away our business because they may in essence deal in anything without commitment in manufacturing profiles. This applies, of course to import and export alike. Although basically I am not against competition, the way I see it is that long range industrial relations offer advantages both in export and import which cannot be attained through transactions that we "jump into" in an ad hoc way. In my judgment the so-called competitive situation in foreign trade could become actually real if the appropriate production base were also at hand.

[Question] How consistently do you oppose foreign trade with no commitment in manufacturing profile? Do you disapprove of others dealing with heavy industry products, but agree to have Nikex import tomatoes for the Skala store chain?

[Answer] We have only a marginal role in products that are outside the heavy industry area and this is also true of the tomatoes which you mentioned, a transaction which in the end never took place. It sometimes happens that a firm from which we buy wants to acquire products—for example, furniture—which do not belong to our profile. In such cases they are guided by us to

an associate enterprise which has the necessary expertise and market relation system. All this does not mean that we are conservative, for we too search for the new. At the end of last year, for example, we established our own enterprise in Frankfurt, from which we expect additional export and import possibilities. We plan to establish more foreign and domestic joint enterprises, and in this way we are also trying to provide the most advantageous business projects for both our foreign and domestic partners.

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CSO: 2500/370

BRIEFS

MESSNER ADDRESSES ACCOUNTANTS--Warsaw, June 27--Simplification of economic accounting, modernization of book-keeping methods, propagation of the principles of the reform's second stage--are only some of the goals which the accountants' association, which began its 14th national congress here today, puts for itself in the coming years. Premier Zbigniew Messner addressed the participants on behalf of the political and state leadership. Zbigniew Messner characterized the main directions of changes in economy: increasing the role of quality factors, concentrating actions on management effectiveness, releasing economic units' activeness and enterprise. The speaker drew attention to the importance of economic cadres in the planning and running of economic activity, especially in conditions of the growing importance of cost accounting and the necessity of abiding by the widely understood economic law. Premier Messner announced the reduction of the number, simplification and stabilizing of formal and administrative solutions to ease and rationalize economic management. [Text] [Warsaw PAP in English 1537 GMT 27 Jun 87] /8309

POLISH-IRAQI COOPERATION TALKS--Warsaw, June 27--The Polish-Iraqi talks between delegations of the central planning bodies continued at the seat of Government Planning Commission here today. Chairman of the Polish Government Planning Commission Manfred Gorywoda and Iraqi Minister of Planning Samal Majid Faraj exchanged information on the economic situation and the methodology of planning. At the meeting both sides specified fields in which there are the biggest possibilities for the development of mutually advantageous cooperation between Poland and Iraq. [Text] [Warsaw PAP in English 1509 GMT 27 Jun 87] /8309

REFORM COMMISSION MEETS--PAP--On 22 June, there was a meeting of the Council of Ministers Economic Reform Commission chaired by Deputy Premier Zdzislaw Sadowski. The Commission discussed draft institutional controls over the functioning of foreign trade during the second economic reform stage. Particular attention was paid to factors which lead to higher exports, involving financial solutions as well as the restructuring of production and organizational changes in foreign trade. An increased pro-export orientation of the economy will also be achieved by increasing the independence of economic units involved in foreign trade. A major method of doing so will be to ease the restrictions on the granting of foreign trade concessions. Next, the Commission prepared a report on the course and outcome of the social discussions on the subject of the second stage economic reform theses. [Text] [Warsaw TRYBUNA LUDU in Polish 23 Jun 87 p 2] /8309

CSO: 2600/696

FEC ANALYSIS ADDRESSES AGEING MARITIME, RIVER FLEETS

LD221738 Belgrade TANJUG Domestic Service in Serbo-Croatian 1324 GMT 22 Jun 87

[Text] Belgrade, 22 Jun (TANJUG)--According to the latest FEC analysis, there has been stagnation in the development of maritime and river shipping over the past 15 years and the ageing of our fleet is a particular problem. Whereas in 1975, 56 percent of the ships in the maritime fleet were less than 10 years old, 10 years later we had a total of 443 percent of vessels of this kind.

At the end of 1985, the average age of ships in the maritime fleet of the community of seamen—which makes up about 95 percent of our fleet's total tonnage—was 17.4 and its ships in international transportation 15.2 years. Of the 247 ships operating in international transportation, 151 are older than 15 years. Of these, 73 ships are more than 20 years old and 11 have been in use for more than 3 decades. It should be noted that the average of the world's fleet is about 13 years.

Because of the insignificant increase in tonnage over the past few years, the Yugoslav share of the world's maritime fleet has stagnated to 0.64 percent; but in terms of overall capacity, its place in the world's fleet is declining and this decline has been going on for 15 years and more. There is a similar situation in the river fleet.

Bearing in mind this situation in the domestic fleet and its importance for the country's economic development, the FEC has prepared draft measures and activities for overcoming the existing circumstances and sent them to the SFRY Assembly. Changes and addenda to individual regulations are, among other things, being proposed so conditions are being created for the building of ships in the country for the domestic fleet, with loans which will not be more unfavorable than the conditions under which ships are made for foreign buyers. A request is being made for the Yugoslav Economic Chamber to adopt a special program for the accelerated replacement of worn-out ships.

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August 27, 1982

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